

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Office of Economic Development
AGENDA DATE: March 18, 2008 - City Manager's Report
CONTACT PERSON/PHONE: Kathy Dodson, PhD, Director 541-4670
DISTRICT(S) AFFECTED: ALL

SUBJECT:

Presentation by Kathryn Dodson, Economic Development Director of the results of the Buxton retail study. In addition, John Benton, General Manager of the El Paso Outlet Shoppes and Tom Rumpitz, Senior Vice President, Horizon Group will follow with a brief update of their project. [All Districts][Economic Development, Kathryn Dodson (915) 541-4670]

BACKGROUND/DISCUSSION:

In July 2007 the Council approved a service agreement with the Buxton Company to conduct a Retail Market Analysis and Best Retail Matches study.

Representatives of the El Paso Outlet Shoppes project will present Mayor and Council with an update of the success of the outlet mall project.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

N/A

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

N/A

BOARD/COMMISSION ACTION:

Enter appropriate comments or N/A.

N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____

(Example: If RCA is initiated by Purchasing, client department should sign also). *Information copy to appropriate Deputy City Manager*

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____



Attracting Quality Retail to El Paso

March 2008



Why Retail?



- Quality of Life
- Tax Base

“Why isn’t there a Starbucks near my home?”

*“Albuquerque is smaller. Why do they have Trader Joe’s,
REI and Pappadeaux?”*

“Why aren’t there more grocery chains in El Paso?”



Buxton Study



The City's Economic Development Department contracted with Buxton, the leader in customer analytics for the retail industry. This study:

- Performed market analyses on five trade areas
- Identified and profiled the customers in two trade areas.
- Matched customers to retailers in the two trade areas.
- Provided customized marketing packages to retail matches.



Targeting Retail



The Buxton study:

- Compared our results with 4,500 national retailers
- Matched us with 200 retail prospects
- Prepared customized market packages for 30 retail prospects

We can focus resources on companies interested in El Paso's customer base.



Demographics



dem-o-graph-ics [dem-uh-graf-iks, dee-muh-] (*noun*):
the statistical data of a population, especially those showing
average age, income, education, etc.

Traditional demographics usually have three limiting factors:

- Usually outdated by the time they are released
- Retailers already have demographic information for free
- Don't provide retailers with the desired information of whether the citizens in the trade area are potential customers for their stores



Psychographics



psy-cho-graph-ics [sahy-kuh-graf-iks] (*noun*):
the use of demographics to determine the attitudes and tastes of a particular segment of a population, as in marketing studies.

The characteristics of customers' lifestyles, buying habits and preferences

- Buxton uses propriety software and systems to blend more than 185 databases
- The databases are updated as often as every 30 days and none are more than a year old



Trade Area Analysis



Trade area market analyses were conducted on five intersections, using a 10-minute drive-time:

- I-10 & Mesa St.
- Santa Fe St. & San Antonio Ave.
- Dyer St. & Diana St.
- I-10 & McRae Blvd.
- I-10 & Loop 375



Sample Retail Matches



Aaron Brothers

AMF Bowling

Auntie Anne's

Brookshire's

Bucca Di Beppo

Carrabba's

Cavender's Boot City

Conn's

Eddie Bauer

Fazoli's

Gloria Jean's Coffee

Golf USA

HEB

Jason's Deli

Joe's Crab Shack

Kroger

Marie Callender's

Norwalk

Raley's

Regal Cinemas

Ruby Tuesday

Safeway

Steak n Shake

Sweet Tomatoes

TGI Friday's

Yankee Candle Company

Red Robin

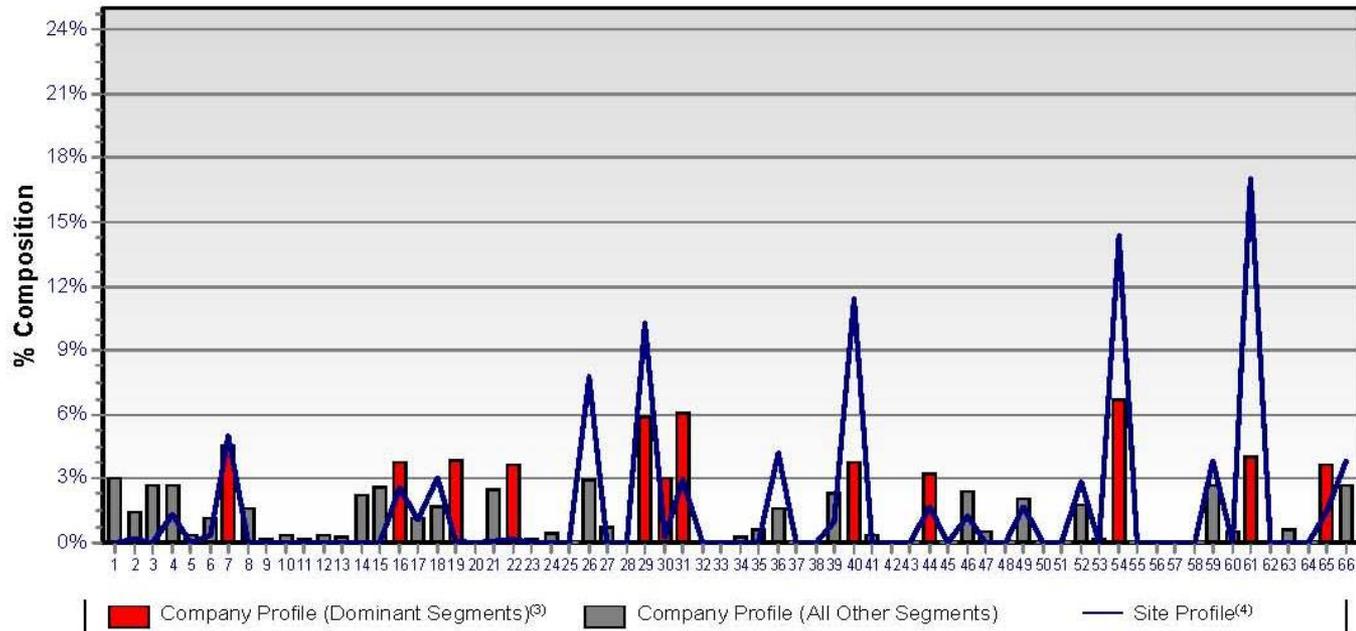
Buxton data tells us what type of location each retailer wants (pad site, airports, regional malls, neighborhood strip centers, etc.), where they currently operate and where they are expanding.



Bucca di Beppo



Segmentation Profile⁽¹⁾ (10 Minute Drive Time)⁽²⁾





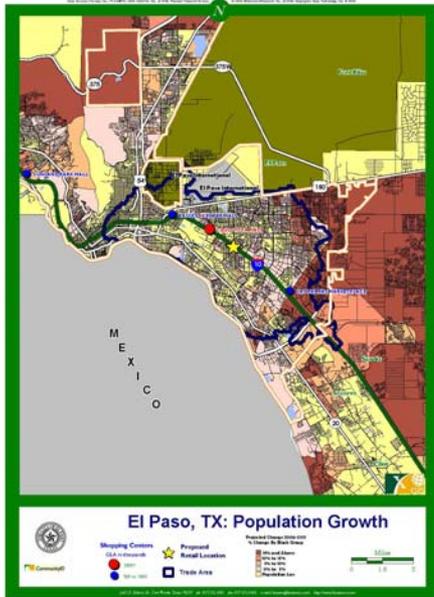
Bucca di Beppo

Trade Area Comparison (10-Minute Drive Time)

	Buca Di Beppo Avg. Trade Area	El Paso, Texas Site Trade Area (Current)	El Paso, Texas Site Trade Area (Projected)
Total Population	271,555	301,467	314,620
Total Households	110,558	91,677	99,086
Company Dominant Segment Households	57,650	61,727	66,716

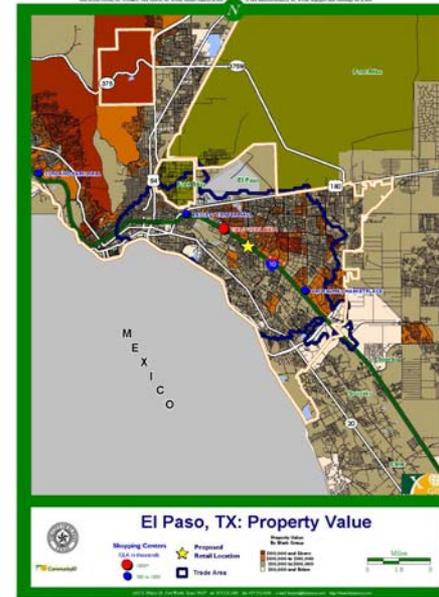


El Paso Thematic Maps



Population Growth

Median Income



Property Values



SCOUT - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address <https://scout2.buxtonco.com/scout2/>

Site: I-10 & Mcrae Blvd, El Paso, TX
No Scenario Selected

User name: elpasousers
Password: tx-elpaso

Psychographic Site Analysis

- ▼ Sites
 - ★ Site 1
 - 🌸 Site 1 Custom Drive
 - ★ Site 2
 - 🌸 Site 2 Custom Drive
 - ★ Site 3
 - 🌸 Site 3 - 10 Minute
 - ★ Site 4
 - 🌸 Site 4 - 10 Minute
 - ★ Site 5
 - 🌸 Site 5 - 10 Minute
 - ★ Initial Sites
- ▼ Retailers - I-10 & Mcrae
 - ▲ Aaron Brothers
 - ▲ AMF Bowling
 - ▲ Arthur Murray Dan
 - ▲ Austin Apple's

Misc. Map Features

Demographics

Options... ▼

© 2008, Buxton

Sites Files Saved Maps

Done

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Ciudad Juarez, Chihuahua



Ciudad Juarez contributes \$1.7 to 1.8 billion in retail sales in El Paso per year

City	Population <small>(within 50 mile radius)</small>
Los Angeles	14.5 million
San Diego	4.2 million
Phoenix	4 million
El Paso	2.2 million
San Antonio	1.9 million
Denver	1.8 million
Austin	1.5 million
Tucson	979,671
Albuquerque	812,557

Total 2007 northbound bridge crossings:

24,929,971

(16,214,600 POVs, 8,715,371 pedestrians)



Mexican Shoppers



More than 2/3 of Mexican Nationals say shopping is the primary reason to cross into the US, and they have a:

- High level of brand loyalty
- Price and quality conscious
- Favorable views of U.S. products

There is no definitive study of the impact of Mexican shoppers on El Paso.

The City's Economic Development Department is currently working with Dr. John Hadjimarcou at UTEP on a scientific survey of the El Paso retail market and the impact of Mexican nationals on the local economy.



Exploratory Research

The City of El Paso's Economic Development Department visited 300 store managers in El Paso

- Cielo Vista Mall
- Bassett Center
- Sunland Park Mall
- Las Palmas Marketplace
- The Outlet Shoppes

Store: _____ Mall: _____

Contact: _____

Title: _____

Phone: _____ Email: _____

% of retail sales from Mexican Nationals: _____

Juarez vs. Chihuahua: _____

Performance in El Paso:

Testimonials & Comments:

Retailers reported approximately 30-90% of retail sales are from Mexican Nationals



Successful Retail

The Outlet Shoppes at El Paso



The outlet
shoppes
at El Paso

