SELECT GEORGIA PODCAST EPISODE 1
"RAMBLIN' ON RETAIL"

Eric: Well, good morning.

Andy: Good morning, Eric.

Eric: How are you?

Andy: I'm good.

Eric: It's good to be here. I'm glad we finally got this podcast started. I know we've talked about this a long time.

Andy: We sure have. And it's an exciting topic. Uh, we'll probably cover a lot of things over the course of time, but I thought, kicking this off, having a discussion about retail and commercial development, something you and I've been focused on for, most of our careers in economic development.

Let's share some things that we know,

Eric: ... That we- 'Cause, you know, the, folks have a, the 30-minute commute. We're hoping folks will pick this up and, uh, listen to it on that, that 30 minutes, 'cause it'll be 30 minutes that they're gonna lose either way, right? I mean, they can listen to us, or they can listen to, uh, ads on, uh, Spotify, so why not listen to us and talk about retail?

So-

Andy: That's right. Yeah. You know, and thanks for everybody who tuned in. So, um, I'm Andy Camp. I'm the regional economic developer for West Georgia, uh, the west region in Georgia, which is kind of centered up around Columbus, and I got my counterpart here, Eric.

Eric: Eric McDonald. I'm the regional economic development manager for Metro West, which is basically the west side of 285 up 575 and about seven counties up through the metro region.

Andy: And we have pretty similar backgrounds. We kind of moved through local economic development, have worked on other things really across the state, but, uh, two almost lifelong residents of Georgia, so we've seen a lot of changes over the years.

Eric: I'm a little bit of a carpetbagger. I was born in Chattanooga, Tennessee, so, uh, you know, yeah, I guess you could call me a little bit of a Yankee.

Uh, but yeah, I did, uh, 23 years at the local level, uh, with chambers and development authorities. I've been with Georgia Power I guess now about a, a year and a half, so I like to tell people I'm 18 months clean from local work. Yeah. Uh, but certainly able, love, uh, getting into the communities and talking to them and just trying to help them be whatever it is they wanna do.

And that's, you know, that's one of the things that I love about this podcast and I love about what we do is we, uh, we, as a whole company, we have the access to a whole company's resources to help communities be better, and you know, that means a lot of different things to a lot of different places, uh, which is why I'm so excited that we're talking about retail today, because some communities want industrial.

Some just want, y- their downtown to be better. Some want retail, and it's different for everywhere, and that's one of the things that I love about the Georgia Power economic development team and being part of that. Uh, and as you know, we're part of the RED team. We ... It's the Regional Economic Development group, and there's what, 11 of us?

Andy: That's right, 11 of us, and our fearless leader. So-

Eric: That's right. Uh, Elise is our fearless leader. Uh, she, she stands o- on the mountain with the flag and makes sure that we're going in the right direction. Uh, and we are spread across the state, and it is our job just to help communities.

Andy: That's right. It, and it's exciting to see their successes especially when- We've been able to provide them some resources or guidance, consult with them, and really help them understand these are things that the data might say about you.

These are things that, you know, we know are aspirational, and, you know, let's try to marry this up. So today it's about retail and commercial development, which- That's

Eric: right, and we're gonna give you a roadmap today to get a Buc-ee's, a Costco and a Trader Joe's in the same shopping center, right? I think is that, was that our goal maybe?

Or is that a little too far?

Andy: No, you, you've, no, you did a really good job. You put a little AI, uh, graphic together one time showing that- Yeah ... which was, uh, it's adorable. So if you haven't seen it we should definitely get that out there, 'cause I know when Eric tapped into that, it's just funny because sometimes that is how things start.

But- When we think about the sector, just, you know, we think about retail trade you know, we lump restaurants into that. You know, this is really anything that's kind of customer-facing businesses. Right. So just a, that could be a drive-through, it could be your coffee shop downtown. Really, places that people go for, you know, food, they go and they may buy clothing or shoes.

Oftentimes these spaces are even filled by gyms. So-

Eric: Yeah ...

Andy: you

Eric: know. Gyms, uh, you- you know, what's cool about it is it's that third place.

Andy: Yeah, it is.

Eric: Right? You know, so of course, the, the first place is, is home, second place is work, and that third place is, is retail. And that's what I have really enjoyed about...

I mean, 'cause retail, what, 2021, retail was dead. Yeah. Right? I mean, we were never ever gonna walk into a store again. That, and that's what they told us.

Andy: They've been calling it for a while, and it- Yeah ... it's m- I mean, very untrue. Now, yes, online has taken, a, a pretty large chunk. Uh, when you look at growing and, you know, from single digit to, low to mid double digit numbers, you know, it, it is a lot of growth, but also you're starting off with a lower number, so, you know, back to- Oh, yeah, sure pers- you know, how percentages work, right? But, you know, because the sector is so often filled by, private developers private investment, a lot of res- real estate professionals in this, whether it's, uh, brokers property owners or the developers that put these projects together, I think a lot of times, the community is more, kind of in a reactionary mode to that because they're just fielding requests.

You know, "Okay, well, we're gonna need to get a building permit here-" Right ... "or maybe you need to rezone a piece of property that is, you know, well-positioned." But we've been hearing more and more, from our local communities "Hey, we're interested in having some effect on this," or, you know, "How can we market ourselves for, either some of the brands or, some of the," you know, like we mentioned, coffee shops- Right

"or, you know, a local restaurant. How can we position ourselves better to help y- be there to support the, the private sector obviously?" But, we know it's important. Sometimes it's, uh, about, image and quality of life but-

Eric: Well, it's important to have a place- Yeah

to shop.

Andy: Yeah.

Eric: That, h- when somebody comes into your community, the retailers that they see tell a lot of story. So if you're... You know, everybody thinks it's just, "Hey, I'd like to have a- another restaurant or this," but part of it is that trailing spouse. So it's it's about having a place for, for the community to gather, and I think it says a lot.

And so- Mm-hmm ... yeah, to your point that's an incredible part

Andy: of it. Yeah. I mean, everything from, you know, good food to entertainment and, there oftentimes are, are trails or there's parks and recreational uses and, you know, these things just all marry up really well together. So, you know, you get the Little League Baseball coming into town to, you know, host a tournament on their four or five fields.

You know, how can, people stay longer and spend a little bit of money when they're visiting that community? But also, who are the people that are there already? What does that look like, and how do they have access to the, the best things that they're looking for because of taxes.

Eric: Taxes are important. You gotta feed the beast. People don't like it, but this is one way that you don't have to pay it all, right?

Andy: That's right. Yeah. So you've got all of these optional sales taxes. Most communities are collecting anywhere between Three, sometimes four pennies on every dollar that is sold.

Prefe- prepared foods fall into that category as well. And I, and I think a lot of folks, you know, pull up the numbers and look at your community so you can kinda see what the job mix looks like. Because, you know, I'll just give you a number. I'll, I pulled this from, um, NRF, and, uh, so almost 28% of the jobs in the st- in the state of Georgia- Yeah

are supported by the retail industry, so statewide. Now, you know, you can get down granular on county levels, and that, that's gonna vary a little bit, but, you know, across the state, you're averaging, a little less than a third of all the jobs.

Eric: Yeah, and when we talk about jobs, a lot of times this is your first job.

I, I don't know how many folks remember their first job, but mine was at a Wendy's, and I was taking dried-up hamburgers and putting them on the super bar as taco meat- ... if that dates me a little bit about how old I am. But yeah, this is what teaches our kids. This is what gets our kids ready for the next-level job.

This is ... Th- you know, and retail does a lot of that because they're able to come in there, and they don't have to have a boatload of skill, but they usually have a lot of training, and they learn how to deal with people and learn how to interact, right? That's right. So it's ... Yeah.

Andy: Yeah, working on a team, d- dealing with a tough customer, dealing with a pleasant customer.

All, all of the things that-

Eric: Solving problems-

Andy: Yep ...

Eric: satisfying demands-

Andy: Yep ... all of those things Usually a flexible schedule a lot of times. It could work with them while they're in school. And, some people move into that career, and they stay there their whole lives.

Eric: Sure.

Andy: You know?

Eric: And then, you know, you can go up in the management chain, or- Mm-hmm

you can move on to the next thing.

Andy: That's right. Yeah. So fun story, I started off my work in retail as well. So at the young age of, uh, 14 may have violated a few laws. I'm not sure. Right. It was a small town, but- No, no,

Eric: never,

Andy: never ... uh, assembling bices- bicycles at a Western Auto,

Eric: ah. My first job, uh, big retail was at Wendy's, and before that I went into everybody's house and fixed their television.

If you remember when television, TVs were furniture-

Andy: Yeah ...

Eric: right? We, I would go in, and if we couldn't, my job was the muscle so that we could carry it back to the shop and fix it there. You,

Andy: you just weren't setting the, uh, clock on the VCRs? No-

Eric: That wasn't all- Well, uh, we did a lot of that too ... you did that too.

Um, again, this was ... I think we had wired remotes. Again, I'm not gonna date myself too much, but ...

Andy: you know, we talked a little bit about some numbers already, but I, I wanna bring a few to light. You know, we talked about the state, but, just when you look at some, some communities, and I've, I've picked four counties in Georgia, and they're spread out a little bit.

Uh, there's one in, uh, my region, Pike County. 17% of their jobs are from the retail sector.

Eric: Beautiful Zebulon.

Andy: That's right. That's right. And then if you, uh, go over to Oconee in the- Mm-hmm ... north, northeast region, I believe 29% of their jobs-

Eric: 29%, that's a

Andy: lot ... yeah, that's right. Well, you know, you got the kind of suburban Athens area-

Eric: Yeah

Andy: on the edge of Atlanta A lot of growth over there. Yeah, yep. And you kinda con- contrast that a little bit because most economic development people are thinking about what we would think of for more industrial or, office jobs, things like that. Their g- in Oconee, the goods-producing sector, so think manufacturing, uh, is only 12% of all their jobs.

Hmm. Okay. Quite a bit of contrast there. And you would expect that. I think I, I picked Paulding, which is one of your communities. Uh, 31% r- retail, a little over 12% goods-producing and- Yeah,

Eric: Pa- Paulding is interesting in that not only does it provide a lot of the jobs, but the city of Hiram is able to not have a ad valorem property tax because of the retail sales tax because it's a regional hub for, uh, sales in that area.

Andy: Oh, yeah- So- ... there, there's a lot of stores i- in that pocket, and it serves, uh, a broader area, so I think they're pulling some folks over from that part of West Cobb over there. I know I live in Carrollton. I've driven up there several times. We

Eric: go there all the time.

Andy: Yeah, so yeah, and these things become a little bit of their, you know, kind of...

and we're gonna talk more about, you know, certain things in the future. Uh, we're gonna queue one up for data and some of the data-driven decisions. We just wanted to kinda get the juices flowing today and start this podcast off, so there'll be more to come on that. So it's not just

Eric: gonna be two old guys rambling on about

Andy: retail?

No, not just two guys rambling about- And

Eric: maybe that's what we oughta call this is the two, two old guys rambling on retail. I'm not sure, right?

Andy: Rambling on retail.

Eric: Yeah. There we go. I mean, we're, we're starting to learn the po- the you know, where our spots are in this, is Andy comes in with a plan and a lot of numbers.

I have seven blank pages and four computers in front of me- ... three of them playing YouTube videos, and, and my job is the commentary, so I'm the color, so yeah- Well, we- ... I think this is working well ...

Andy: we all have our strengths. We all have our strengths. Right, yeah. So thank you. Good, good enough. But, I picked another county.

I went and looked in South Georgia, so, uh, I looked at Mitchell. So- Okay ... you know, not quite the same strong population base as some of these others that we talked about. But in Mitchell County, 15% of the jobs are in retail. Now, they have some very strong industries down there, so their goods-producing is- Now,

Eric: remind me what big city is in Mitchell County.

Andy: Big city close to- Yeah ... probably Albany might be your closest one.

Eric: Okay, Albany.

Andy: Or Moultrie.

Eric: Yeah.

Andy: Yeah.

Eric: I'm just making sure our- Yeah, it's, it's- ... viewers, our listeners around the, the state kinda are getting... knowing where that is.

Andy: It's certainly rural Georgia, and it's a great place. And, they- Still, with that smaller population base and being a little bit more isolated, there's still 15% of the jobs here come from the retail sector.

Eric: Right. Again, s- shows the strength of why communities need to consider retail.

Andy: Not only about having the investment that comes with it, we talked about sales tax revenue, but those jobs.

Eric: Jobs are important. You know, one of the other parts that, you know, why should a community have retail is that ad- is the ad valorem tax on those buildings.

And if you look and at what a Walmart pays, and they're probably the largest taxpayer in that community a, a lot of those, from a just an ad valorem sales tax. Go, what, what does a Walmart or a public shopping center run in valuation?

Andy: Oh couple hundred dollars a square foot. You know, I mean- 40, $50 million depending on- Yep

everything that's on the pad. Not only their building, which could be, you know, Walmart's obviously a lot bigger, but a Publix is gonna be, 40,000 square feet or so.

Eric: Right.

Andy: From a s- y- from just from an annual sales standpoint, you know, you're probably in the, $30 million.

$30

Eric: million times, and of course, you know, for folks familiar with your sales tax in Georgia, you got the 4% that goes to the state.

Andy: That's right.

Eric: Big conversation about eliminating residential ad valorem taxes or putting some sort of control there, right, at the state level. Y- you- as we know, the government services require money, and it's kind of a water balloon.

Squeeze one side, the other side's gonna get bigger. So how do we make sure that we can offset those th- sales tax is one of those.

Andy: That's likely on the table, yeah.

Eric: Yeah, so we got the 4% that the state gets, and then each of the communities gets, let's see, what, one for local option sales ta- that goes to directly reducing ad valorem taxes to property owners.

One is special purpose local option sales taxes, typically what parks, paths, roads- Roads,

Andy: things

Eric: like that ... those type things. ELOST, which is your educational-

Andy: Yeah, capital investment for education. ...

Eric: And then some communities are now looking at either a TSPLOST, which is specifically for transportation.

I know in my home community, uh, we did not renew that. The voters decided not to renew that, but a lot of the roads in our community were paved because of that. And then I think there's a new one out, which is the ... Is it, um ... Oh, it's where the communities can directly take all of the money and reduce their sales ta- or not sales taxes, ad valorem taxes.

And I'm trying to remember what that one is called. Do you remember?

Andy: Uh, I think it has a F at the front of it or something like that. Yep,

Eric: right. Yeah, so there's a new one, so. Yeah.

Andy: Yeah, so- See, you said you weren't a numbers guy, so here we are.

Eric: Yeah.

Andy: You're just proving yourself wrong.

Eric: Right. But, but you s- I mean, that 9%, and e- everybody complains, but when you look at, say, especially if you're a border community, I live in a border community, and we had

I wanted to say I think we figured out about 37% of the traffic to our local Walmart went to, came from outside of our community and outside of the state of Georgia.

So when you look at all those people driving over That's 37% of the sales tax collected at that Walmart and, and other retailers around there, people don't just make one trip, i- is...

offsets the- Yeah ... the property tax. So yeah, it's-

Andy: Supporting the schools, supporting government services you mentioned. You know, we're expensive folks.

Eric: We, we are. Yeah, yeah. What's our most expensive part? Well, it's prob- it, it's certainly gotta be mowing the grass on the side of the road. Well, yeah.

Maybe? No.

Andy: Sometimes. We get around to it.

Eric: Yeah, right. It's the education.

Andy: It's education. Yeah.

Eric: Yeah. No doubt. Educating kids are expensive.

Andy: Yeah.

Eric: And it's, you know, communities now are deciding w- and, and their voters are saying, "Hey, look, y- we wanna exempt 65-year-olds from, from school taxes." And that is absolutely a value that a community should have, but they've got to figure out how to take care of that on the other side, and, and attracting retail to their community is one of the ways to do that.

Andy: That's right, yeah. So how would they go about doing that? Well, you and I've been talking about this- Right ... for years, right? You know, on a high level, we'll talk about some high level tactics real quick, or strategies rather. So identifying the properties, what land is out there that makes sense?

It's on a retail corridor. Retail corridor, typically downtown to Walmart. If you wanna think about that, that's gonna be kinda your major trade travel lane.

Eric: One of the thing, interesting things I learned in one of our conversations, you mentioned Walmart, is that Walmart likes to be the bookend.

So if you look at, when you go into a community and you wonder, wow, there's a lot of development between the center of town and the Walmart, and there is nothing on the other side of that Walmart, it is because Walmart is the end of the trip.

And you know, and so then what you start looking at is how do retailers position themselves?

Andy: That's right. Yeah. Are they gonna be on the AM side of the road? That's where they wanna be if everybody's coming into work that way, picking them off for coffee, donuts, breakfast. Are they gonna be on the PM side of the road?

That's gonna probably be your Walmart, although not always, but yeah, generally. You know, they're such of a trip generator that they, you know, they're gonna have traffic lights and they're just gonna... ing- ingress and egress is not, not something that they're unfamiliar with. But say a grocery store, you know, like an Aldi or something, it's definitely g- you know, they're gonna wanna be on the PM side of the road.

Eric: Now, I have heard that an Aldi would be inside a Walmart if Walmart would let them, right? Oh, 100%. Right? They love to be next door. Oh, yeah. So co-tenancy is important, too. That's right. Understanding what you- Yep ... what you have.

Andy: Yeah, the mix of, you know, limited and full service restaurants if you're gonna buy, goods or, you know, we're seeing services, so, medical things that are taking retail, traditionally thought of as retail locations.

Right. Medtail is kind of the acronym or the- Hmm ... abbreviation that a lot of folks use. So that would be what,

Eric: urgent cares and uh, dental?

Andy: Urgent cares, dental, because of visibility and access and just, you know, familiarity with people because they make that trip all the time. They're always floating around those primary trip generators.

So that's why when we go study a community and we look at, okay, what's out there from a, existing retail perspective, where are some gaps, you know, where are some brands that we know are, you know, expanding their stores, you know, are they franchise or corporate driven? Who does their real estate?

We're looking at who, who's, you know, what's the, what's driving people to that area? Or I should say, why are they driving to that area?

Eric: Right. Yeah.

Andy: So it, Target, Walmart, Publix, or Ingles or Kroger, you know, an- anything that people are kind of built in to make a few trips a week into that area, and then the other folks are there to maybe pick 'em off or be there as a, you know, a secondary trip that someone would make.

And we track all of that, so we get a chance to see it. Um- How

Eric: in the world do we track something of that nature?

Andy: Uh, well, most of us use our cell phones for everything. Right ... sometimes it feels like breathing if you have a, a younger person in your family.

Can't get them out of it.

Where's the... Yeah, that's right. The Wi-Fi's down, it's like, oh my gosh, purgatory, but the, a lot of times we're able to get that data. It's, it's anonymized, so, you know, we don't have people's names attached to it, but there are- There are services that compile that, they study it, they look at it, they take that journey with that shopper so they know, you know, where they started, where they went next, or where they, where their residence is in a, general area, you know, where their work is, 'cause that's where the phone's sitting at night and during the day.

And, you just get to collect some information about, you know, w- what are their trips? What is their frequency of doing these things?

Eric: And, and where do they go? If we- so if they... One of the interesting things about the reports that I've always enjoyed is that a lot of people leave a Walmart and go to a Publix.

Mm-hmm. Or a lot of people will, on their w- and that's how we know that Walmart is the end of the trip, is they might leave the Publix and go to Walmart, but... Or they may stop and get shoes at the sh- Shoe Show on the way into, to the Walmart. And then you can also look at where they're leaving and going to communities.

You know, a lot of communities, as they're trying to develop that strategy, it's always interesting to see that they may have a lot of jobs in their community, but if the people live 50 miles in this direction over here, then they may not shop on the way home in their town because there may be a better grocery store on the way.

There may... It, it is really interesting to look at that data, and I know that's one of the data- Mm-hmm ... sources that we can use with, um, I think we call it MapSight- MapSight, mm-hmm ... I believe, yeah, in our research department. That's right. And again, if folks listen and want something like that, they just reach out- Yeah

to your RED manager and we can get that for you. But yeah, it's, it's, it's cool to understand who you are. And then what's the other one that... I think it's credit cards, right? Yeah.

Andy: Yeah, a lot of that's done. Uh, that's, uh, that's been compiled that way for a while, and, you know, um, if the community wants to kinda do something that I would say is of borderline anecdotal, but you know, something that's just easier you know, obviously call us.

We're happy to, put our more analytical resources together. But go to the Walmart parking lot on Friday night, and-

Eric: I do that

Andy: anyway. Do you not? ... look at, look at the tags. Yeah. So-

Eric: It's free

Andy: entertainment. Yeah. It, yeah, it's like you can just see, okay, here's a, you know, Lamar County tag. Here's a, you know, Bibb County tag, or what, you know, wherever you're at.

You know, the In God We Trust tag, that one's a little tougher to keep up with, but, um-

Eric: Right, tho- those are more difficult. Uh,

Andy: but

Eric: yeah.

Andy: But- So, yeah ... you know, you can just get, just a sampling of it, But, you know, yeah, our, I mean, the resources we have, uh, can be a little bit more efficient in that too.

And we get to break it down and kinda take a look at, okay, where are people spending money outside your community, and what do they have there that might be a good fit here? So kinda making some comparisons, taking a look at that, and then of course demographics. Uh, is there a trajectory of household growth?

Because, always and forever, retail follows rooftops.

Eric: Um- But Andy, my, my town and the political boundaries associated with my town are the most important to retailers, right? Having that name brand town on their location is important. Is that true?

Andy: Well, I mean, it seems like people drive across those lines all the time, Eric.

Eric: I don't know what you're talking about. There should be gates. Somebody should put a gate up. Five o'clock, close that thing, keep them in.

Andy: They're gonna look at, "Hey, how can we get people in and out of our store? Is there a market that we can serve here?" Maybe, say, you've got the intersection of two large highways so, you know, you may have convenience to interstate travelers that, kinda map out their entire trip like I do when I see there's a Buc-ee's on the way.

Eric: Right.

Andy: Or maybe only 20 minutes out of the way, so I'm like, "Yeah, I'm definitely doing that."

Eric: 20 minutes. What's that, for a Buc-ee's? Yeah. Yeah, you'll spend that time just in line to get out.

Andy: That's right. Maybe to find a parking place. Or

Eric: at the jerky wall trying to figure out, "Oh man, do I want the habanero or the mango?

I'm gonna, I'm gonna figure this out."

Andy: We can look at it on, you know, a political boundary level, so city or county. That's good information to have, 'cause it tells you, you know, what your residents are doing. But we can also look at all visitors, and that's when we're gonna get a trade area, and that's gonna cross all of those political boundaries.

You mentioned being, you know, in a, living in a border town for many years. Right. You know, you're, you're capturing folks from Alabama. You're capturing folks all north and south and east and west on any of those main corridors that come in.

Eric: Yeah, so that retail trade area then, it starts to kinda tell w- well, maybe the retail spirit of that town.

It really identifies who that town is, and much less than the political boundaries. Is that what you're saying?

Andy: That's right. And then it, and when you see it mapped, it's like an ink blot, or you know- Yeah ... and you can see some logical things that pull people in, you know, just access along, you know, state route or, there's a- larger, say, unincorporated pocket of a community or another town that's a little bit smaller but might be, you know, within 10 or 15-minute drive, and you know.

So if you got that, you're gonna pull that population in. And then that's where you kinda start looking at the gravity of it, right? Yeah,

Eric: start understanding who we are, and then-

Andy: There you go.

Eric: Yeah.

Andy: Yeah.

Eric: Okay.

Andy: So you know, these are still private deals almost all the time. You got a group of developers working with a group of brands, or, you know, you've got your downtown where you're looking at tenant mixes and things that, you know, kind of fill it, round it out, right?

So you know where are these opportunities? You know, well, maybe there's a very interesting restaurant that wants to do a second location, and you've got a spot downtown, and that, you know, you, you know, you wanna make contact with them, see if they wanna o- open another store.

You know, the national retailers are really good, especially if they're publicly traded, about kinda telegraphing what their growth plans are. Find a community that feels like yours from a retail and commercial standpoint, and see what they have that may not be in yours. That's a

Eric: great way to start, right?

So, and, and again, we, we can find our s- retail spirit as our trade area, and then we can take that and look at other places that look kinda like us, and I think we have computers that can tell us who those people are, right? Yeah.

Andy: Yeah. Yeah, I mean- And,

Eric: and then we can call up, "Hey, why do you have a LongHorn, and I don't?"

Andy: Yep, that's it. And, call your ed manager. We can take a look at the LongHorn- Right ... that you feel like might be an opportunity. Just one of many examples.

Eric: Yeah, so as we kinda start building that plan, a community's first understanding who you are and then understanding what you want, and then what you don't have.

Those are the... That's the low-hanging fruit. Well, we look a lot like that place. So let's go after this particular retailer.

And now, so do retailers make the decision? Are retail the risk-takers? Who-

Andy: Yeah.

Eric: Yeah. It, it depends. How do we start to have that conversation as a community with the LongHorn, with that restaurant or that grocery store that we want?

Do we pick up the phone and call them? What, what do we do?

Andy: So it depends. Okay. And that's a great question. So the... There's an entire real estate development community out there, and, you know, they've worked with these tenants because so many of these buildings are leased by the retailer. So you kinda got two businesses you're trying to figure out, right?

So okay, is the real estate available? Can it be, controlled while someone, like a developer, is out there trying to, find that tenant? You know, we'll just keep talking about LongHorn as an example. Right. So, so that's gonna be a, a standalone restaurant, so single tenant. It's gonna have, some form of a net lease, and the developers have, you know, find a developer who's done one in the past.

Ask them, "Is there anything in our community that you're interested in looking at?"

Eric: Where would we go and find a developer? Maybe go to a community nearby that has one, or in one of those peer communities that-

Andy: You could, yeah. Yeah. So, you know, this is where, like, the tax assessor's websites can be very helpful.

Q

Eric: Public in Georgia a

Andy: lot of times. That's right. You can see, the entity that, you know- Develop that. They probably still own it. Now some developers will trade that lease to capitalize their next project but some of them will hold it. So then you got a, a variety of different, it's really what their investors are looking for, it's because- So

Eric: finding that, that developer and have it, 'cause now the developer is typically the risk taker, right?

Andy: Oh, yes. They- they're- Not

Eric: the retailer ...

Andy: they're the mavericks. They're out there. Yeah. And they're, they're gonna have access to a tremendous amount of data that they know is gonna be specific for that retailer.

Say it's a grocery store, for example. I've seen these presentations. There are lots and lots of decks and maps, demographic information showing the trajectory of the community when it comes to household growth, how many kids are in the school system. For a grocery store, sometimes they wanna be positioned, well for, someone who may be dropping their kid off at school and they wanna kinda catch them on the way home, or picking them up and catching them on the way home.

So all these little granular pieces of data that's gonna really kinda make that decision for that brand, and the developers know how to present that to those real estate committees, and that's where the magic really

Eric: happens. So, so hold on, though, but, but I think if we go to social media land, uh, I like to call it my drunk uncle on Thanksgiving, right?

He's always got an opinion. And the, and they're the evil ones, though. Are, I mean, right? If we go to social media, the developers are the absolute evilest people in the world. They're, they're taking all of the things that we don't want, but what I'm hearing from you is that they could be partners with us?

Andy: That's right. That and you want them to be your partner, right? They're going to, they're going to solve the business case for the land and the building that's ultimately going to be where that retailer is. And this could be down, this could even be in downtowns, so you know, we're, we're talking a lot about national brands and you know, traffic corridors.

Oh, yeah.

Eric: We could whole, have a whole conversation in downtown.

Andy: Yeah. Foot traffic is also traffic understanding, you know, that if there is a piece of real estate that has that possibility, it's a developer that's going to be the champion of getting it- Leased, getting the business in there, working with the community to, understand, hey, we've, we've met the zoning requirements, the, whatever the building codes are there, and really solving, you know, that part of it as well as, okay, the tenant knows they need X number of parking spaces to be successful.

They have to have a sign. It has to look like this, you know? What are the constraints, and how do we work through that? And some of the best ones I've ever worked with they're very good about approaching a community early. You know, they love to have conversations on the front end.

You know, just, "How do I navigate this so we can try to be, you know, successful in bringing this business in and making this investment and creating those jobs that come with it?"

Eric: I... and that's what I love about the, the development community is, is, you know, they, they get a bad rap, right? You know, so- Yeah

I was joking about d- how, uh, they can be, but the, the truth is, they are especially, you'll be surprised that you have some developers sitting in your communities that do regional, national development, and they just haven't been able to figure out how to, to crack that egg in your community, and maybe finding out who they are or some nearby- Mm-hmm

and, and partnering with them.

Andy: Yeah.

Eric: And, and they can- And, and having a little bit of trust maybe.

Andy: Yeah, and, and, you know, they're gonna tell you the things that, you know- Yeah ... might, you know, you might not wanna hear. Your code requires something that we don't have to deal with in another place.

Uh, it makes the price of the building or the real- or the development of the site too expensive for this to pencil. And, you know, of course, they've got their investors. Their investors have their goals, but also they've gotta go to a bank, and the project has to cash flow, so they have to get it underwritten.

There's just so many little nuanced things in there- Yeah ... that, if the conversation can be constructive, that can be really, really good. But you're also likely, as a community, to hear a few things, "Well, we know we, we didn't exactly want it that way, but we didn't know by having our code written like this that we might have been impeding development for the things that we did want," so-

Eric: But if a community's willing to sit down and have honest conversations- Mm-hmm

and start developing those, those relationships, I mean, what a great way to have somebody who understands the entire aspect of retail development on your side, uh, and you're not... and has the Rolodex to get, and the horsepower to get you there. Yeah, tho- those are good relationships to have.

Andy: I think they are.

And I, and I... and it's, and it starts small. It starts one-on-one. Like you said, identifying who that might be. We kn- we know a lot of these folks just from our experience and some things that we do, uh, here, uh, you know, statewide with the regional team. You know- Call your RED manager and- Right, yeah

you know, let's find out. Call us. We're happy to discuss it.

Eric: And one of our favorite things to do, in fact, it's actually our number two job, so of course I think our number one job category is don't embarrass ourselves or the company first. Uh, and then the second thing is, um, w- buy somebody coffee, right?

I, we're, we're in the relationship business.

Andy: That's right.

Eric: And one of the best ways that we can help you do is to be that intermediary to bring you together and w- and that is one of the things that we love to do. So yeah, reach out to your RED manager.

Andy: That's right, and we're happy to start building those relationships and get some people interested, get them looking, community high level, make some comparisons, go look, find yourself a peer community, figure out how that was unpacked there. Uh, and then get an inventory of your real estate that could be good for commercial. What,

Eric: top five sites, what do you think?

Andy: Top five. Have a conversation with whoever owns the land or controls the land.

Kind of find out what, hey What are you trying to accomplish? Even if they don't have a real estate sign out there, talk to those brokers if, if there is a real estate sign out there, and really just kinda understand where they're at in, in the cycle of how they're marketing that site or what their goals are for that.

Because it- we don't wanna be incongruent with what they're trying to accomplish. They may want a ground lease, that's all they wanna do, and that's gonna wipe out quite a few, uh, developers that would need to control the site or even some brands that do some self-development because they wanna own it.

You know, it's just good to know that and usually, when they see someone as being assistive from the community they've identified this property as being something that they would get behind, yeah that, that usually makes a lot of good things happen.

Eric: And you know what? I te- I tell you, that's really where, when I was local, that's the s- one of the superpowers that, that local economic developers can bring to the retail conversation.

I'll tell you the, and I'll, I've just gotta share this story. So in the community I serve, they wanted a Chick-fil-A. They would have renamed the town Chick-fil-A City, Georgia if we could have gotten a Chick-fil-A. And of course, the Chick-fil-A had identified a site, and it was this site. And they said, "Hey, well, we can't get that site.

It has an old gas station on it this time. How about this site over here?" And Chick-fil-A said, "No, thank you. We'll wait."

Andy: Yeah.

Eric: Finally, I remember Chick-fil-A came, they said, "All right we're ready to start working on this. Who owns it?" It had been sold to somebody, and that person lived final- in Noonan, and nobody could get in touch with him.

So I remember it was my kid s- soccer f- one of his friends on the soccer team, his dad owned another convenience station similar to that one. I called him up. Long story short, we ended up having to go to a guy who owned a liquor store in a whole nother town, uh, who had the land lease on the site that we wanted in order to unwind the deal so that it became available.

And that's where I always empower local economic developers, use those relationships. That's what you have your boards for. If you're attached to a chamber, have conversations with the chamber. Find ways to solve that problem. That's what economic developers are great at, is solving those problems and overcoming those hurdles and finding out what, you know, if, if it's ownership is the problem, make it your goal to figure out the ownership and find out what it would take To get that site under control.

If it's, uh, entitlement, fi- uh, start understanding those, those issues. That, that is the superpower. Uh, there is a Chick-fil-A on that site now.

Andy: I was about to say, yes, there is. And it was a great day. I remember when that happened.

Eric: Right? Yeah. We were

Andy: both really happy.

Eric: Yeah. We were... It wa- it was fantastic, and they had a parade.

Uh, and it was- That's right, yeah ... you know, it was the Chick- They were throwing Chick-fil-A sandwiches to everybody, and it was, yeah, it was fantastic.

Andy: It... And it, it is a day to celebrate, I mean, you... That brand in particular is one that's, you know, very near and dear. It's extremely consistent, incredible customer service.

They really pour into their people. So you can understand why a community would want something like that. A lot of them are like that, but they're, they're known. That's, uh, definitely their reputation.

Eric: And others start looking as well. That's true. When a Chick-fil-A shows up, oh, maybe, maybe it should go here.

And that, you know, that's something that brings up, we were talking about developers and We were looking at how, h- you know, they make their money and how that ... But they, math matters, and if why do we have a third auto parts store?

It's because that auto parts store made money.

And so it's not just selling the spark plugs, but they were also able to build it and turn it around, and that got people interested. So maybe that's something we can talk about, Yeah ... was it-

Andy: Future, future podcast.

Eric: Yes.

Andy: Future podcast. We've got quite a few that we've already started, uh, lining up in the future.

So, I think today was a great first opportunity to talk about the importance of this sector in every local economy, including the state of Georgia. You know, really to get hopefully people interested in learning more about it. We're here to help here at George Power. Call your RED manager.

Call me or Eric.

Eric: We are here.

Andy: And we'll be happy to do that. We've got more to come. Uh, we'll probably unpack a few projects, a few deals that happened. We're gonna bring in some subject matter experts in the future.

Eric: So it's not just gonna be two old guys- It's, and- ... talking about retail.

Andy: It's not just rambling on retail.

Eric: Okay, good. So. Good. That will be fantast- yeah, I think we've got some great guests lined up, and, uh, it's, uh ... we're gonna take you guys on a ... I hope you'll stick with us, and, a- and come back in, and tune back in, but we've got some great folks showing up.

Andy: And we do have an opportunity coming up in, uh, Warner Robins.

Eric: That's right, on August the 12th. That's- It's gonna be our retail roadshow.

Andy: That's right, yep. We'll, uh, continue this conversation. We'll certainly have some other people speaking as well about some of the data points unpacking a couple of projects, lessons learned, "Hey, this is where things got off the rails.

We pulled the project out of the ditch one more time, then it went in, and bam, there it is."

Eric: Seriously, it's gonna be so much better than this podcast. Uh, you guys, uh, are gonna enjoy it. And you know, if you wanna find out who your RED manager is, how you can sign up for the, uh, either Retail Ready or Create, which is entrepreneurs, or a d- a boatload of different tools.

Of course, there's selectgeorgia.com. That's how you can find out who your RED manager is. And, you know, we certainly want you to go, uh, out there and, and find out who that is and reach out if you don't know who they are.

Andy: Yep. Go dig. Go find. We're here to help.

Eric: That's right.

Andy: All right, Eric. Well- I think we're wrapping up

Eric: the first one

Andy, I think, I think we've rambled on long enough. Two Guys Rambling on Retail is, uh, uh, is concluded for today. We'll see you guys the next episode.

Andy: Cheers.

Eric: Cheers.