



CommunityID[®]

Proposal to Develop:

**A RETAIL ECONOMIC DEVELOPMENT
STRATEGY**

For:

City of Ramsey, MN

From:

Brandon Norrell

July 18, 2008

Expiration Date: October 20, 2008

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I. SUMMARY

CommunityID® is a proven retail development strategy that can be immediately implemented by Ramsey.

Buxton integrated proprietary technical capabilities with more than 500 cumulative years experience in retail management and local economic development to create CommunityID®. This unique strategy has brought both innovation and a disciplined approach to municipal retail development efforts.

During the 60 business days it takes to complete CommunityID®, civic leaders are actively involved in the process and make important decisions that guide the direction and results. The four main phases of the process are:

Researching and Verifying Ramsey's Retail Trade Area

This phase starts with the in-depth collection of the same location variables that Buxton uses to qualify locations for retail clients. Because of Buxton's unique capabilities, we can translate this retail-specific information into market intelligence that community leaders need to attract and grow their retail sectors.

Evaluating Ramsey's Retail Potential

The evaluation phase will clarify what makes Ramsey distinctive and valuable from a retailer's viewpoint. Through daily involvement in retail location analysis, Buxton has acquired the unmatched ability to evaluate a community's retail potential.

Matching Retailers and Restaurants to Ramsey's Market Potential

The consumer profile of Ramsey's trade area will be matched against the customer profiles of over 5,000 retailers and restaurants in Buxton's proprietary database. The final match list is developed with the input of community leaders so that it reflects the needs and desires of the residents.

Delivering Ramsey's Marketing Packages

Individual marketing (pursuit) packages for each retailer match are delivered in both hard copy and in SCOUT®. Our exclusive online marketing system, SCOUT® helps you to showcase your city in the best light. It gives you the ability to create presentations and quality documents and to share information in the match reports.

With CommunityID®, Ramsey can unleash its full retail potential, seize new retail opportunities and expand existing businesses.

II. INTRODUCTION TO BUXTON

Since our founding in 1994, Buxton has been a leading force in retail location and development. We are recognized for creating solutions that provide results.

Buxton began as a service to help retailers make informed site selection decisions by understanding their customers and precisely determining their markets. Buxton leaders soon realized that the company's expertise in retail location and market analysis could also be leveraged to benefit communities desiring retail expansion. Please note that in this proposal the term "retail" is inclusive of all retail concepts.

CommunityID®

Designed specifically for use in community economic development programs, Buxton's CommunityID® process has assisted more than 350 public sector clients nationwide, resulting in the development of more than 15 million square feet of retail space. We integrate our impressive technical capabilities with more than 500 cumulative years of retail management and local economic development experience to help municipalities achieve their retail goals.

More than simply providing data, CommunityID® supplies custom marketing materials and strategies targeting the unique location requirements of retailers, developers and commercial real estate brokers. CommunityID® clients achieve outstanding success using our tools for retail identification, selection and recruitment. And our clients benefit from our unique understanding of retail site selection from the retailer's point of view. The combination of technical expertise and professional guidance gives municipalities the capacity to immediately implement an effective retail development program.

Benefits of CommunityID®

With CommunityID® you have immediate access to:

- **Retail Industry Expertise.** Gain a competitive position by working with professionals who have years of retail management experience plus current insights into your community and site selection processes and trends.
- **Community Development Best Practices.** Expand and sharpen your retail development focus by incorporating best practices discovered by Buxton through daily work with municipalities across the nation.
- **Proprietary Systems.** Gather useful information by having Buxton's technology specialists analyze your trade area accessing data stored on Buxton's in-house databases.

- **Personalized Content.** Advance your retail recruitment program by receiving personal guidance from our staff and ongoing insight into key industry topics via our monthly e-newsletter, webcasts and other interactive tools.
- **Long-Term Partnership.** As a Buxton client and partner you have unlimited access to our staff to help optimize your marketing efforts at the International Council of Shopping Centers (ICSC) annual meeting in Las Vegas, NV.
- **Marketing Data and Tools.** Enhance your marketing messages and presentations by using SCOUT®, Buxton's online trade area database and marketing tool, available to you for one year after project delivery.
- **Add-On Research.** Keep your CommunityID® updated and focused by getting special rates on additional research, including retail marketing packages and refreshes of basic information.

III. NEEDS/CHALLENGES

Ramsey wants to understand and then capitalize on the retail development opportunities.

As communities increasingly compete for retail dollars, attracting the attention of retailers has become more challenging than ever. Marketing your community plays a dominant role in today's competitive economy. The challenge for the community is to attract retailers and developers by providing trade area information that is complete, accurate and up-to-date.

Using our proprietary methodologies, Buxton will collect and analyze your community's trade area information and give it to you in a format that is easy-to-use and appealing to real estate executives and developers. The best information, however, is useless without a plan for using it. Much more than data collection, CommunityID® is an execution strategy that can help you build or revitalize your existing marketing and economic development program.

With CommunityID®, you will be prepared to:

- Achieve your retail potential by establishing a long-term partnership with Buxton
- Integrate retail development into your economic development program
- Increase your success by preparing Ramsey to meet the needs of retailers
- Effectively position your community by leveraging your locations' strengths and minimizing weaknesses
- Convey Ramsey's advantages over competitors' advantages
- Establish credibility with retail decision makers
- Maximize time and resources by not pursuing unqualified prospects
- Win the confidence and trust of prospects by understanding their priorities
- Use competitive analysis to close the sale

IV. GOALS AND DESIRED RESULTS

The primary goal of CommunityID® is to prepare Ramsey to successfully expand its retail sector.

CommunityID® serves as the framework for developing a sustainable marketing program that not only achieves short-term goals but also endures to ensure the economic viability of the retail sector over the long-term. Such a marketing program will bring the following desired results:

- Residents' desires to shop and dine at home will be fulfilled
- Retail leakage will be minimized
- Tax revenues (property and sale/use taxes) will increase
- Employment opportunities will grow
- Ramsey's ability to capture other economic opportunities will be enhanced

V. PROCEDURES/SCOPE OF WORK

Once you have engaged Buxton to work with you in developing CommunityID, a project team will be assigned to guide you through the entire process—from initial data collection to final presentation of the results. This team consists of:

- Client services manager, who will serve as your primary source of communication during the project
- Geographic Information System specialist, who will analyze your trade areas and create customized maps and reports
- Professionals with backgrounds as retail executives and economic development practitioners, who will address your unique challenges and help maximize Ramsey's retail opportunities

Staff Visits

During visits to the community, Buxton's staff is able to make clear and candid assessments of the community's strengths, weaknesses and potential. Our daily involvement with over 1,700 retail and restaurant clients in finding optimal locations keeps us current on retail location trends. This provides a rational and analytical basis for helping Ramsey decide how to best focus resources on the most promising retail opportunities.

Data Collection

Buxton uses over 250 consumer and business databases that are updated throughout the year, and in some cases, every month. Although it is possible to obtain these databases for less expense on a community or regional basis, Buxton buys and is licensed to use the complete U.S. datasets. With this information Buxton will compare Ramsey's potential location to the universe of all retail locations operating in the U.S.

The following are some of the more well-known sources used in our studies, but there are dozens more that we employ to provide additional insight:

- Mediamark
- Acxiom
- InfoUSA
- Claritas
- National Research Bureau
- Navteq Geographic Data
- Dunn & Bradstreet Business Data

Identify Market Influencers

All communities have special and often unique features that impact the local retail market and have to be taken into consideration to fully understand the market potential of the community. Such influencers include larger ethnic populations, significant new or expanded developments, military bases, universities and colleges, destination tourist attractions, prisons, medical facilities or major employers.

After identifying these market influencers in your community, Buxton will quantify and qualify their influence on the retail market and help to match retailers that can capitalize on these customer bases.

You will benefit from the project team's expertise and insight in these four areas:

1. Researching and verifying Ramsey's retail trade area
2. Evaluating Ramsey's retail potential
3. Matching retailers and restaurants to Ramsey's market potential
4. Delivering Ramsey's marketing packages

These four major components comprise the CommunityID® process. Each component is explained in detail as follows:

1. Researching and Verifying Ramsey's Retail Trade Area

The location decision process for all retailers begins with the collection, analysis and evaluation of numerous location variables such as demand density, customer buying habits, economic trends, competition, traffic volumes, and available sites, to name a few.

The CommunityID® process for Ramsey will also start with the in-depth collection of data using the same location variables that we use for our retail clients to qualify sites for the location of their retail stores and restaurants. One goal is to define current retail situations in Ramsey, in the trade area and in any neighboring communities that impact on Ramsey's retail environment. The other goal is to understand the community's expectations and desires. This analysis includes personal visits to the community, collection of data components necessary to conduct the analysis and identification of market influencers.

Drive-Time Trade Area Definition

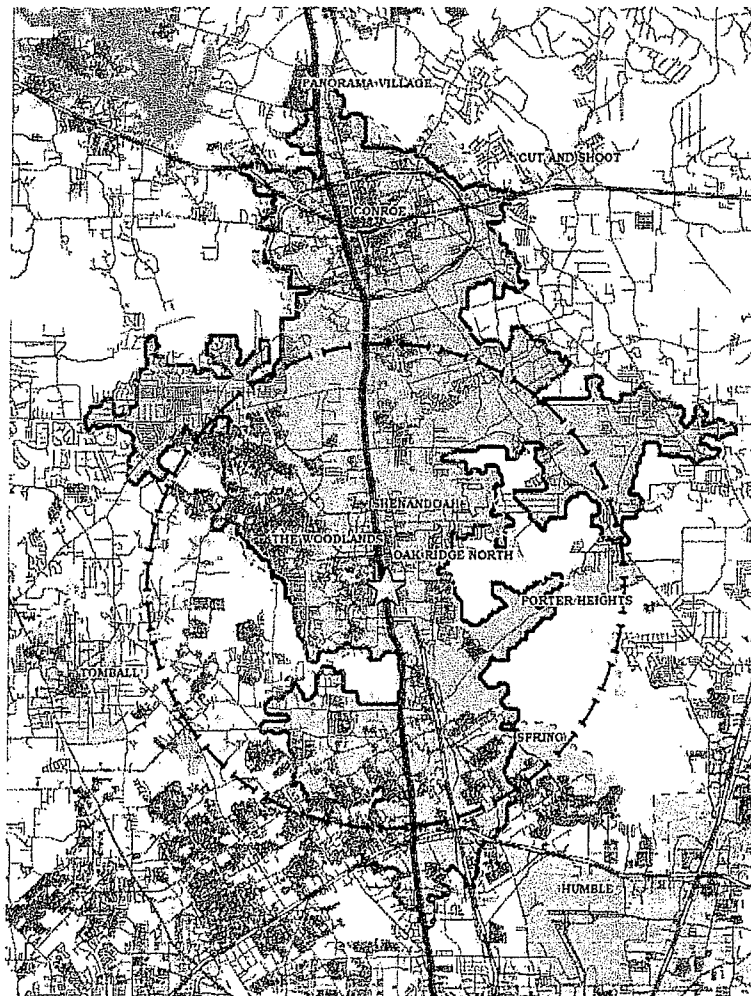
Customers today shop by convenience, measuring distance based on time, not mileage. CommunityID® will employ a custom drive-time analysis to determine Ramsey's trade area. An example of a drive-time trade area is shown in Figure 1.

This custom analysis is developed using an in-house database supported by our knowledge of individual retail client's actual trade areas.

The resulting drive-time trade area map will be a polygon that more accurately depicts consumer shopping patterns than trade rings.

To assure the accuracy of the drive-time trade area, the draft maps are reviewed with community leaders and verified before proceeding with the next step.

Figure 1.Example - Drive-Time Trade Area



2. Evaluating Ramsey's Retail Potential

The purpose of the evaluation phase is to understand what makes Ramsey distinctive and valuable from a retailer's viewpoint and scrutiny.

Our evaluations capitalize on Buxton's knowledge about the retail marketplace and the location requirements and expectations of retailers. Combining this knowledge with our economic development competencies allow us to evaluate and recommend proven community practices. Our evaluations do not rely on dated government research or national/state statistics, all of which fail to reflect local realities. Rather, we implement our real-world experience gained from working with municipalities that have opened more than 15 million square feet of new or expanded retail space. We know how to help Ramsey sharpen your retail marketing strategy, aggressively market the city and improve your competitive performance.

Retail Leakage/Supply Analysis

The Retail Leakage/Supply Analysis provides an estimate of retail dollars flowing in or out of the trade area.

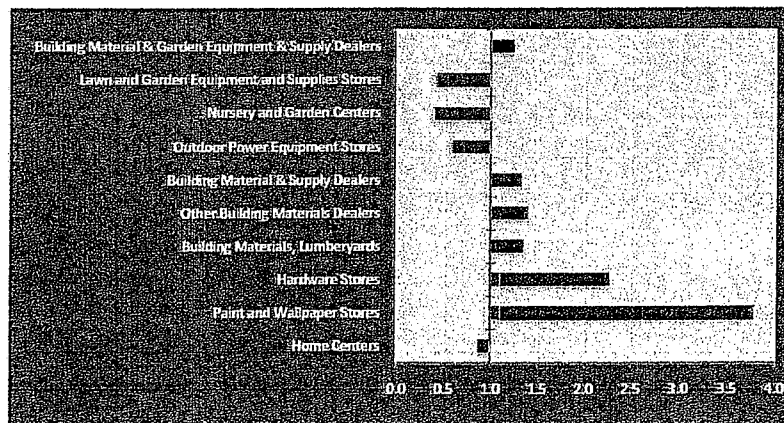
The two main components of this analysis are: 1) current actual sales (supply) by retail store type and products, in dollar amounts, and 2) estimated sales potential (demand) for retail store type and products, in dollar amounts.

We first calculate a sales gap index that illustrates your ability to capture your residents' expenditures. An example of this index is shown in Figure 2.

The sales gap index provides a relative comparison of leakage/surplus and an estimate of the dollars that are being spent outside the trade area (leakage) and the amount of dollars coming in from outside the trade area (surplus).

This report can be run via SCOUT at any location within the map view.

Figure 2. Example - Sale Gap Index

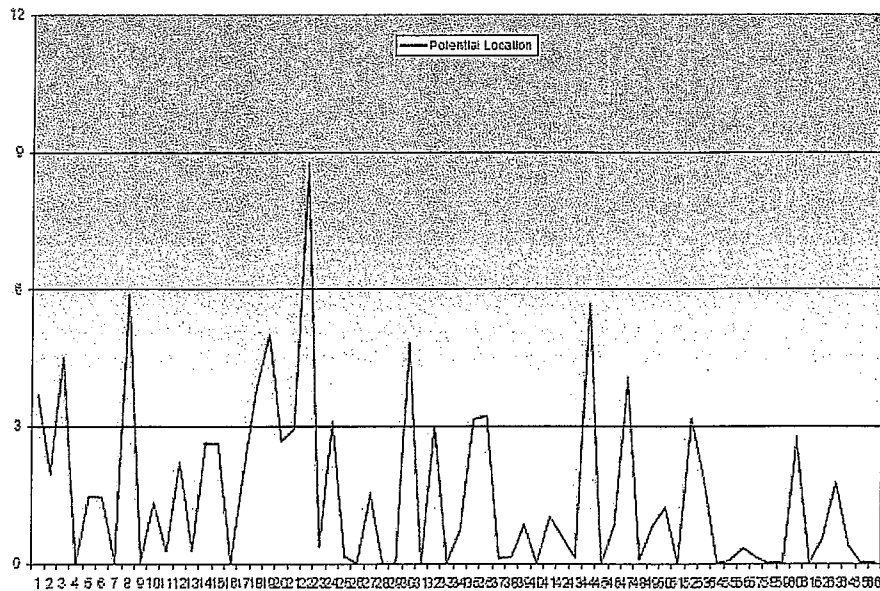


Customer Profiling

The CommunityID® process will identify and analyze all the households in Ramsey's drive-time trade area. Based on more than 4,500 categories of lifestyles, purchase behaviors and media reading and viewing habits (psychographics), the households in your trade area are assessed to gain an understanding of the types of retailers that would be attracted to your community. Our in-house databases include both traditional demographic data and the most current psychographic lifestyle information for over 120 million households in the United States (as well as up to seven individuals living in each of these households).

Each household in a trade area falls into one of 66 market segments reflecting the buying habits of customers in the household. The blue line in Figure 3 graphically profiles the households in a city's trade area.

Figure 3: Example - Psychographic Profile



Retail Site Assessment

Two (2) sites are submitted by Ramsey for analysis. Based on our collective experience in retail locations, the following factors are considered:

- Psychographic analysis of households in trade area
- Demand for retail goods and services
- Site setting, situation and configuration
- Growth plans and relevant development
- Retail goals of the community

Buxton will develop a demand density profile of Ramsey's trade area. Demand density measures the bottom-line value of the customers in the trade area—who they are, how many there are and what they buy. One of the significant advantages of Buxton is our ability to take the demand density data and to creatively translate it into a proactive market strategy tailored to take advantage of Ramsey's strengths and to achieve its retail goals.

3. Matching Retailers and Restaurants to Ramsey's Market Potential

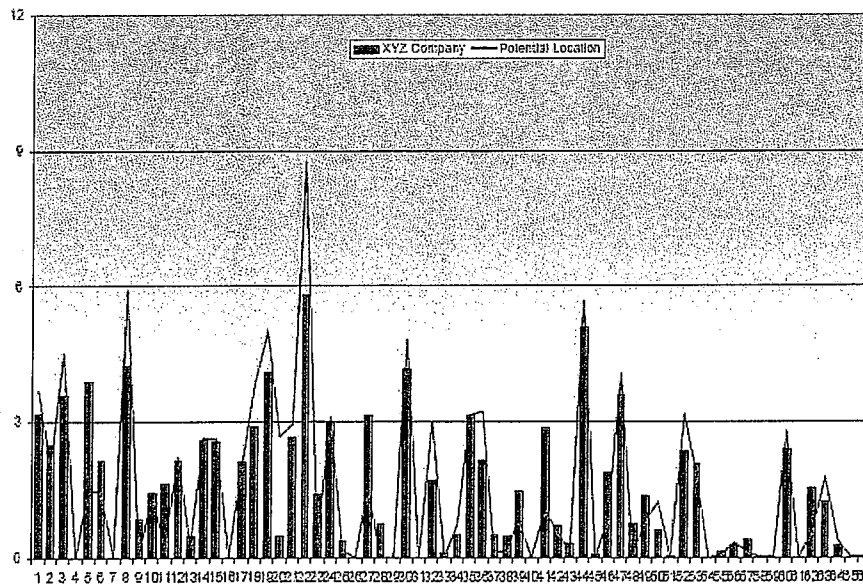
Once the consumer profiles in Ramsey's trade area have been determined, the CommunityID® process will match these profiles against the customer profiles of 5,000+ retailers in our proprietary database.

In Figure 4, the blue line indicates the customer profile of households in a community's trade area. The red line represents a specific retailer's customer profile. A similarity between the two profiles as shown in Figure 4 analyzed using Buxton's proprietary retail matching algorithm concludes that this site is an opportunity for a specific retailer to open a successful store.

This matching results in a list of possible retailers. To develop the preliminary retail match list, Buxton analyzes a number of factors about each possible retailer to qualify it. This analysis is designed to eliminate those retailers that for any reason would not be a candidate for Ramsey. Considered in this analysis are such factors as, verification of a retailer currently operating or expanding into your market, location of operations in similar cities, and competition and cannibalization from nearby locations.

Once this analysis is complete, the preliminary list of retailers will be discussed and reviewed with Ramsey. Based on the selections by the sponsor, a final list of up to twenty (20) retailers will be created for the development of marketing (pursuit) packages.

Figure 4: Example - Trade Area Consumers Matched with Retailer Customer Profile



4. Delivering Ramsey's Marketing Packages

Buxton will assemble individualized marketing (pursuit) packages for each targeted retailer. At Ramsey's request, Buxton will customize each marketing package for presentation to individual retailers, developers, real estate brokers or potential franchisees. Because it is tailored to the specific needs of the target audience, each marketing package is ready to use as collateral marketing materials providing compelling and precise information that demonstrates Ramsey's qualifications as a location.

Each marketing pursuit package contains:

1. Map of the retail site and trade area
2. Map of retailer's potential customers
3. Retailer match report that compares the site's trade area characteristics with the retailer's locations in similar trade areas
4. Demographic and psychographic profiles of the households in the trade area
5. Contact information for the person at the retailer who has location decision responsibilities

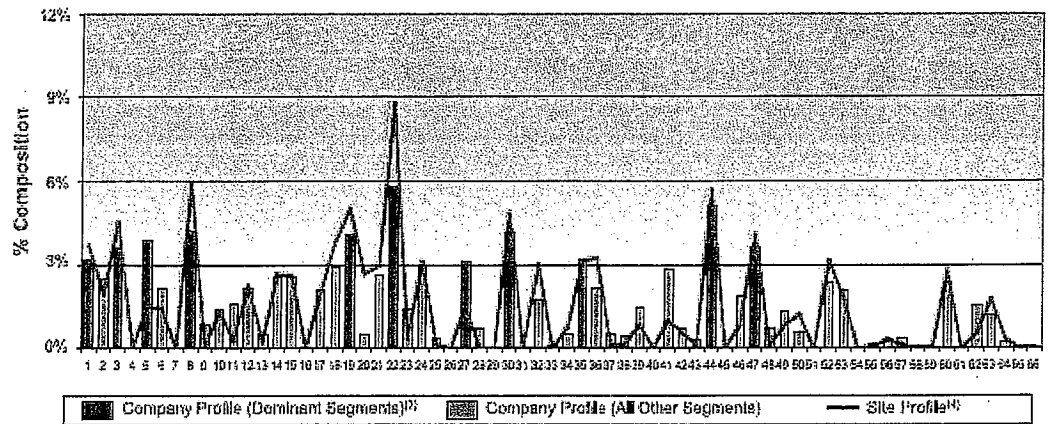
CommunityID[®] targets not only specific companies but also the individual in the company who has the responsibility for location decisions. To provide the best possible reception when Ramsey contacts the targeted retailer, Buxton notifies each company that Ramsey has been qualified by Buxton as a potential viable location for a store, restaurant or development and should expect to be contacted by a representative of the city.

Figure 5: Example - Retail Match Report (Retail Match Report summarizes a city's location advantages for a specific retailer).


CommunityID®
Retailer Match Report

Company: XYZ Company Report Date: 4/15/2005	Site: State Highway 304 & Grice Road Your Community, USA
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Segmentation Profile⁽¹⁾ (15 Minute Drive Time)⁽²⁾



Trade Area Comparison (15 Minute Drive Time)

	XYZ Company Average Trade Area ⁽⁵⁾	Your Community, USA	
		Site Trade Area	
		2003 Estimated	2008 Projected
Total Population	43,925	44,596	47,311
Total Households	17,278	17,817	18,903
Retailer Dominant Segment Households	9,772	12,870	13,612
Daytime (Workday) Population ⁽⁴⁾	19,170	21,160	29,827

⁽¹⁾ Segmentation Profile
⁽²⁾ Drive Time
⁽³⁾ Dominant Segments
⁽⁴⁾ Site Profile
⁽⁵⁾ Average Trade Area
⁽⁶⁾ Daytime Population

Every U.S. household is classified into one of 66 distinct segments described by that household's lifestyle and spending habits. Drive time is used to define the trade area. Any segment that makes up at least three percent of a retailer's targeted profile (RED BARS). Those segments within the site's drive time trade area (BLUE LINE). XYZ Company trade areas used in this comparison are similar in population and market type to Your Community, USA. The number of persons employed in the drive time trade area.

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DELIVERABLES

CommunityID® deliverables will be presented to Ramsey in two bound hard copies and in SCOUT®, an electronic format (described below).

SCOUT® is an online marketing system that will allow you to effectively use CommunityID® by enabling you to showcase your best retail site to achieve maximum results. You can access CommunityID® reports via SCOUT® to reproduce maps, site-specific data and generate your own custom marketing presentations.

With SCOUT® you are directly tied to Ramsey password protected data, maintained and updated in Buxton's databanks. Using your computer you can tailor reports and presentations and immediately respond to questions or information requests from retailers or developers. SCOUT® allows you to:

- Graphically display and count the households that appeal to specific target retailers
- Create a Leakage/Surplus Analysis report for any location in your community
- Manage all your retail-specific data, from maps to photos to zoning information, in a central location
- Merge your community's existing marketing materials with CommunityID®
- Select the information that best makes your case
- Store and retrieve information on retail buildings and sites
- Organize all relevant retail information in a central data center
- Present all materials electronically to recruit retailers and developers

Beginning in the second year, additional retail marketing packages will be available through SCOUT at the rate of five (5) retailers each month until all matches identified in the initial project are delivered. Beginning in the third year, a complete refresh will be provided using updated data.

Deliverables include the following:

- Drive Time Trade Area Map
- Retail Site Assessment – includes Retail Leakage/Supply Analysis and Customer Profile
- Retail Match List
- Final Report and Marketing (Pursuit) Packages
- An electronic presentation highlighting the CommunityID® process and findings will be a part of the deliverables. It is designed for local presentations to chambers of commerce, civic clubs and other groups interested in the retail development of Ramsey.

VI. PROJECT TEAM

Team members for your project will include Buxton personnel with strong retail and economic development backgrounds as well those from operations: the Territory Business Manager, appropriate Senior Vice President and Client Services representative.



Brandon Norrell

Territory Business Manager
CommunityID® Division

As a CommunityID® territory business manager, Brandon works with municipalities in their retail economic development efforts. By understanding what retailers need to make site selection decisions, Brandon enables community leaders to understand and “speak retail.” Brandon brings a strong knowledge of the CommunityID® retail economic development strategy and a solid background in client service to his position. Brandon received his B.S. degree from the University of Minnesota and his M.B.A. from the University of St. Thomas. Brandon is a member of the International Council of Shopping Centers (ICSC).



Joseph Fackel

Senior Vice President
CommunityID® Division, Northern Region
Buxton

Joe has been a trusted advisor to nearly one hundred public and private sector entities across the United States on issues related to economic development and retail recruitment strategy. Recognized as a leader in this field, Joe has been a featured presenter at numerous conferences throughout the industry, including the National League of Cities, the International City/County Management Association, Texas Municipal League, the Northeast Economic Development Association and the International Downtown Association. Joe received his B.A. degree from the University of Missouri and is a member of the International Council of Shopping Centers (ICSC).



Philip Davis

Manager/Senior GIS Analyst
CommunityID® Division

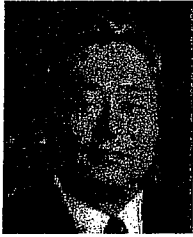
As senior analyst for the CommunityID® division, Philip oversees every aspect of CommunityID® projects in Buxton's GIS department. His duties include supervising daily operations, working with clients, managing projects and serving as a liaison between analysts and the sales team. Philip has managed the GIS function for more than 350 CommunityID® projects for such clients as San Jose, CA; Atlanta, GA.; and Birmingham, AL. Working on projects for two divisions in the company has given Philip a complete understanding of both the retail industry and municipal needs, adding to his expertise in community retail recruitment. Philip graduated from the University of North Texas with a degree in Geography.



Bill R. Shelton, CEcD

Partner
CommunityID® Division

Bill is a founding partner of CommunityID®, Buxton's retail development program for communities. For more than 20 years, Bill worked for the Fort Worth Chamber of Commerce, serving 16 years as its president. He is a Certified Economic Developer and is past chair of the American Economic Development Council. A founding member of the Texas Economic Development Council, he has served as the organization's president. Bill was honored with a lifetime membership to the International Economic Development Council. Bill's professional service also includes serving as dean of the Basic Economic Development Course at Texas A&M University. Bill holds a bachelor's degree in marketing from the University of Texas at Austin, and he completed post-graduate studies at Texas A&M University.



Harvey H. Yamagata

Chief Marketing Officer & President
CommunityID® Division

Clients benefit from the expertise Harvey has gained during 35 years in retail, including leadership roles in brick and mortar, catalog and website retailing. His 20-year career at Tandy Corporation covered the time when the company grew from \$350 million to \$3.5 billion in sales and took him from retailing in Europe to opening distributors in Asia. He headed the marketing efforts of the RadioShack Business Products division at a time when they held the major share in the burgeoning personal computer market. Harvey received a bachelor's degree from the University of Wisconsin and a master of business administration degree from Texas Christian University.

VII. PROJECT REQUIREMENTS

To effectively initiate this project, we request that you provide the following:

1. Project Liaison

- Ramsey will designate a project manager who will serve as Buxton's primary contact during the project.

2. Community Information and Reports

- City logo (vector file -- request your ad agency and/or printer)
- Addresses and descriptive information for the site that will be evaluated
- Current traffic count data
- List of planned retail, commercial or mixed use (either proposed or in development) in the community
- List of major, national or regional retailers that have closed, left or moved from the community
- General community marketing materials, data and economic reports

Project Launch

A conference call with representatives of Ramsey and the Buxton Project Team will officially launch the project. The project launch will occur when:

1. An agreement is executed
2. The initial payment is received, and
3. The Community Information and Reports are received

VIII. TIMELINE

The following timeline is sequential and cumulative. It starts on the day of the project launch conference call.

Business Days	Client Responsibilities	Buxton Responsibilities
Start	Provide to Buxton all necessary community information.	
Day 1	Participate in the launch call.	Participate in the launch call.
Day 6		Trade Area Map ships.
Day 13	Approve Trade Area Map.	
Day 18		Retail Site Assessment ships.
Day 25	Approve Retail Site Assessment	
Day 40		Retail Match List ships.
Day 50	Submit selections of all retail matches to be included in the Final Report and Retail Marketing Packages.	
Day 60		Final Report and Retail Marketing Packages ship.

By adhering to this timeline, the CommunityID® deliverables (Retail Match Reports – both the hard-copy and SCOUT®, the electronic version) will be sent on or before 60-days after the launch date.

Any missed target dates can delay the final delivery date. If there are extenuating circumstances that prevent target dates from being met, a new timeline will be developed.

Delays of more than 45 days in timeline schedule by the community will result in an administrative fee of five percent (5%) of the contract price to be charged.

IX. FEE FOR SERVICES

The Cost of CommunityID® is \$65,000; payable as follows:

1. \$32,500 due upon execution of this agreement
2. \$19,500 due upon delivery of retail site assessment
3. \$13,000 due upon delivery of retail marketing packages

Hard copies of all CommunityID® deliverables including marketing packages will be provided.

SCOUT® will be delivered for two years with this agreement and includes the following:

1. Waived - Monthly maintenance fee of \$1,000 per month
2. Waived - Set Up fee of \$3,000
3. Marketing (Pursuit) Packages at no cost (20 initial packages; 5 packages each month beginning in the 2nd year)

After two years there will be a \$1,000 per month SCOUT® maintenance fee. Ramsey may cancel SCOUT® at any time with thirty (30) days written notice. If cancellation is within the first two years, the \$3,000 set up fee will be charged.

For services specifically requested by Ramsey and performed by Buxton outside the scope of this agreement, an hourly rate of \$200 will apply.



X. SIGNATURE PAGE

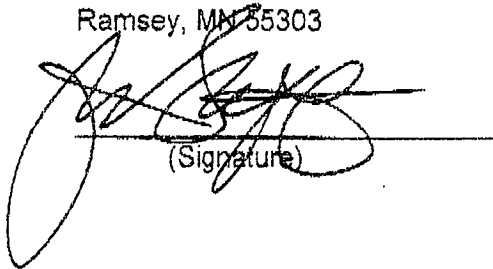
This agreement is between Ramsey and Buxton (the "Parties") for the performance of services described in this proposal. The Parties agree that an independent contractor/employer relationship is created as a result of this agreement. Buxton will not be considered an agent or employee of Ramsey for any purpose.

This agreement may be terminated by Ramsey at any time upon written notice of thirty (30) days. If this agreement is terminated, Buxton will be paid for services performed up to the date the written notice is received.

This agreement shall be administered and interpreted under the laws of the State of Texas. In order to avoid paying State of Texas Sales and Use Tax, Ramsey may be required to provide Buxton with a certificate indicating it is a non-profit corporation and not subject to Texas Sales and Use Tax.

Agreed and accepted this 23rd day of July, 2008.

James Steffen
Vice Chair/Treasurer
Ramsey EDA
7550 Sunwood Dr NW
Ramsey, MN 55303


(Signature)

David Glover
Chief Financial Officer
Buxton
2651 S. Polaris Drive
Fort Worth TX 76137


(Signature)