



Economic Restructuring Committee Checklist

Gather/Analyze Information

- Building Inventory
- Business Inventory
- Consumer Survey
- Demographic Information
- Retail Sales Data
- Gap Analysis
- Cluster Analysis
- Focus Groups
- Other...

Business Retention

- Help Businesses Boost Sales
- Help Businesses Expand
- Assist Businesses in Financial Trouble
- Assist With Business Transition

Business Recruitment

- Provide Start-up Assistance for Businesses
- Develop a Recruitment Team
- Develop a "Wish List" based on Market Analysis
- Develop Marketing Pieces/Business Recruitment Package
- Road Trips

Financial Incentives

- Design Assistance
- Small Matching Grants
- Low Interest Loans
- Regulatory Relief
- Tax Credits
- Provide Information about Incentive Programs

Monitor Economic Progress

- Collect Baseline Information
- Record Economic Changes
- Measure Annual Performance

Diversify Uses

- Revision of Comprehensive Plan
- Removal of Regulatory Barriers
- Upper Floor Housing Assistance
- Coordinate with Regional Industrial Development Groups
- Recruitment of Home-based "Cottage" Business

MAIN STREET



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Incentives for Economic Development

Incentives help increase interest in business and property investment by reducing risk. Here are some of the most common and successful ways that local Main Street organizations provide incentives:

- **Design assistance.** Often, a building owner wants to “do the right thing,” but just doesn’t know how.
- **Small matching grants.** These are very successful in getting simple physical improvement projects off the ground. In general, grants are more effective than low-interest loans in the first year of a Main Street program because many business and property owners are wary of debt and skeptical of the revitalization process. A matching grant allows them to “get their feet wet” and hopefully make larger investments later.
- **Low interest loans.** Usually reserved for physical improvements, more and more Main Street organizations are designing low interest loan programs for business expansion and repositioning purposes – loans that cover working capital, inventory, or other “high risk” lending.
- **Regulatory relief.** Incentives can take the form of streamlined licensing procedures, waivers of review or permitting fees or relief from other “red tape.”
- **Tax relief.** Many communities offer tax abatements or credits for new development.

In general, a good incentive for development:

- ✓ is typically focused on investment priorities
- ✓ does not cost the community more than it gains
- ✓ is based upon sound understanding of the development being encouraged (“blanket” incentives do not make sense)
- ✓ is based upon the long-term planning objectives for the downtown, which in turn are based upon community values and endorsement for the plan

MAIN STREET



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Business Location and Clustering Strategy

There is an old adage in real estate: “There are only three reasons for success in retailing – location, location, location.” Today’s retailer has a multitude of location choices. The strip center, the freestanding building, the enclosed mall, and a variety of small shopping centers all compete with the downtown commercial district for tenants.

In order to attract retail tenants, the downtown manager should understand three specific elements of the retail site selection process:

- A review of how retail businesses use market data to select sites
- A review of the information required to differentiate the downtown commercial district from its competition
- A summary of techniques used to identify retail location clusters

How Businesses Use Market Data

The first step in the site selection process is to develop a customer profile for the business. Before considering site criteria differences such as traffic, visibility or cost, a business will first look at the market to identify potential areas in which to locate. Every retail business has its own unique customer profile. Even convenience stores, which offer similar products, have different customers.

Retail businesses rely on market comparisons to identify potential areas for expansion. Stores try to duplicate the success of their existing stores by locating in areas with similar market profiles. Obviously, chain store operations will have more detailed market profiles than mom-and-pop stores. The demographic information typically used to develop this comparative profile includes:

- Age
- Family size
- Household and personal (per capita) income
- Customer buying habits and points of origin
- Employment patterns
- Housing characteristics

The type of information, and the level of detail required, will vary by business. Some businesses require unique demographic information to make their site selection decisions.

A downtown manager can influence a retailer's site choice by understanding the business's unique market criteria. The program manager can also use this information to develop appropriate marketing and leasing materials for the business. Downtown retail prospects are often lost because of a failure to present pertinent information.

Additional market information is required for the final site selection, but the following examples illustrate how market information needs vary by business:

Food Stores

- Total population (identify subgroups that could distort data, i.e. group quarters, military)
- Household income

Discount Stores

- Population characteristics (primarily the blue-collar portion of the local/regional population)
- Occupation
- Household size
- Household and personal income

Home improvement centers

- Population characteristics (primarily aimed at middle-income population)
- Housing characteristics (age and ownership)

Apparel

- Population (lifestyle analysis)
- Household and personal income

Toy store

- Household composition
- Age cohorts
- Household income of parents or grandparents

Restaurants

- Resident population (exclusive of motel, interstate or tourist population)
- Daytime employment

Differentiating Downtown from the Competition

Successful leasing agents know how to successfully differentiate their projects from the competition. This ability is particularly important in a "soft" market, when there is an abundance of commercial space available in the market area at low prices. A leasing agent differentiates his or her project from other projects by identifying advantages or

selling points. In order to attract tenants, the downtown commercial district must also be differentiated from the competition. This will help the downtown solidify its position in the marketplace and facilitate leasing. The program manager must understand the inventory and leasing characteristics of both the competition's and the downtown's real estate.

Asset inventory and retail mix analysis are two essential elements of a successful downtown leasing strategy.

Asset Inventory: Program managers help lease downtown space by facilitating the development of marketing and leasing plans. These plans build on strengths and compensate for leasing weaknesses.

An asset inventory is a useful way to assess real estate. The inventory helps to identify downtown's competitive advantages. The inventory is conducted for both the downtown and the competition.

The competition is identified through consumer surveys, interviews, and fieldwork. Once the competition is identified, the following information should be obtained for each competitor:

- Location
- Physical characteristics
- Amenities
- Owner/leasing agent
- Leasing terms

In addition to assessing the competition, the downtown management program should also evaluate downtown real estate. The program should gather the following information about downtown properties:

- Ownership
- Tenants
- Leasing/sales terms
- Property maintenance
- Amenities
- Surrounding conditions

Retail Mix Analysis: A successful leasing program requires that the downtown management organization develop a marketing position that is distinct from the downtown's competition. This position is partially determined by the existing retail base. Classifying these businesses by type of goods and services sold helps determine the appropriate retail mix. The appropriate mix of goods and services will help enable the downtown to generate the maximum retail sales possible. This is accomplished either by increasing the purchases of existing customers or by attracting new customers to the downtown.

Retail mix information, used in conjunction with a market analysis, provides a framework for a retail-leasing plan. Retail businesses are classified in the following way:

- *Convenience goods and services* are goods and services that consumers buy frequently and are of a standard price and quality. Examples of convenience goods stores include: building material stores (hardware, paint and glass, garden, etc.); food dealers (grocery, delicatessen, bakery, meat and fish); eating and drinking establishments; specialty goods (florists, liquor, drug); personal services (laundry, photo, hair salon, shoe repair).
- *Shoppers goods* are also known as department store type merchandise. Stores that carry these goods are usually found in regional shopping centers. Examples of shoppers goods stores include: general merchandise (department stores, discount stores, variety); apparel stores (clothing, shoes); furniture (home furnishing and accessories, radio and TV, music); specialty stores (sporting goods, books, stationary, jewelry, hobby, toy, gift, novelty, antiques, arts and crafts).
- *Non-retail* is a generic category used to describe non-retail business. A retail store is one that keeps regular hours, is open to walk-in traffic and has a cash register. Examples of non-retail businesses include: service businesses (accountants, finance officers, lawyers, real estate agents); offices (corporations); warehouses (showrooms, wholesalers, storage).

Retail Cluster Identification

Location is very important to a retailer's success. Good merchandising and advertising can minimize – but never eliminate – the adverse effect of a bad location. Specialty retailers with limited markets are particularly vulnerable to poor locations.

While the elements that make one site more desirable than another vary according to the business, the objective is always the same: a good location is one that maximizes sales and generates a profit for the business.

In retail centers, a good location often means locating near stores that generate similar customer traffic. The more traffic, the more sales that can potentially be generated. This concept of locating stores to maximize traffic is called clustering. Clustering enables a group of businesses to attract more customers and repeat business by developing a critical mass. This critical mass generates a greater amount of traffic than any single store.

Shopping centers have long used the principles of cluster analysis to place individual stores in their facilities. Although downtown retail centers do not have leasing controls such as they do in malls, building on existing retail clusters and creating new ones through solid, long-term management and effective incentive programs can strengthen the downtown's overall retail performance.

There are many different kinds of retail clusters in the marketplace – specialty, high-end, outlet centers, hobby centers, etc. New concepts are constantly being tried as developers search for ways to attract customers to their projects. Some of the most common types of retail clusters are:

- **Customer compatible clusters.** These retail businesses share a particular market characteristic. The stores sell different products, but the customers have similar habits or preferences. Often called vertical market clusters, these clusters vary according to age, sex, income, etc. Examples of customer compatible markets are:
 - Businesses serving low-income customers – pawn shops, rent-to-own stores, thrift stores, big-lot grocery stores
 - Businesses serving elderly customers – drug stores, medical equipment stores, cafeterias, hair salons, bookstores
 - Businesses serving rural customers – feed-and-grain stores, fabric stores, western wear, music stores
 - Business serving discount oriented customers – outlet stores

- **Customer complementary clusters.** Also called companion clusters, these clusters are similar to customer compatible clusters because the businesses share the same market characteristics. The products sold by these businesses complement one another, however, unlike the compatible cluster businesses whose goods and services are unrelated. Complementary cluster businesses carry goods and services that are used in conjunction with one another. Examples of customer complementary clusters include:
 - Department store type goods cluster – jewelry store, women and men’s clothing, children’s store, linen and bath, restaurant
 - Auto care cluster – tires, car wash, body shop, insurance
 - Women’s apparel – clothing, jewelry, shoes, accessories, hair salon

- **Competitive clusters.** These businesses sell the same or similar products. They can appeal to the same or different market characteristics. This type of cluster is also referred to as the comparison cluster because the customer is able to compare goods for price and style. Examples of competitive cluster businesses include:
 - Restaurant row
 - Furniture stores
 - Auto dealers
 - Banks or financial centers
 - Shoe stores
 - Jewelry stores

Source: National Main Street Center™ Certification Institute in Professional Downtown Management™

Extreme Makeover: Small Business Edition

Concept: *The Greater Meredith Program proposes to host an Extreme Makeover competition for small businesses in Meredith. The purpose of which is to provide (to the winner) expert advice, assistance, manpower, and funding to implement an extreme façade makeover.*

- *The Greater Meredith Program will announce the competition via a press conference, local public access TV, local radio, and direct mail pieces to Meredith businesses.*

- *Entrants to the competition can nominate themselves or be nominated. Completed nomination form will indicate where perceived areas of improvement/assistance is needed and include photos (jpegs.)*

- *Nomination forms will be reviewed and the selection of Extreme Makeover recipient will be made by the Dream Team.*

- *Recipient will be visited by the Dream Team to assess where/if additional areas of improvement may be needed. If additional Dream Team experts are required, the Greater Meredith Program Extreme Makeover Committee will enlist such.*

- *Recipient (selected by Dream Team judges) must agree to complete "makeover", publicity, etc. and actively assist/participate in the makeover process as needed.*

- *Announcement of winner will be made along with makeover plan.*

- *Makeover will be completed with Dream Team and the Greater Meredith Program according to timeline and schedule agreed upon by team and makeover recipient (but will occur in 2006).*

- *Completed makeover will be publicized.*

- *An evaluation will be completed at the end of the project to determine effectiveness, areas of improvement, etc.*

We Really Do Care!

We'd like to know how we're doing in serving your needs. Please take a few minutes to complete this form. It will help us to serve you even better. Thank you.

How often do you shop with us?

_____ times a week

_____ times a month

_____ times a year

Please rate us on the following:

	Excellent	Very Good	Average	Fair	Poor
Quality of Products	5	4	3	2	1
Prices	5	4	3	2	1
Customer Service Level	5	4	3	2	1
Store Services Available	5	4	3	2	1
Store Hours	5	4	3	2	1
Store Cleanliness	5	4	3	2	1
Friendliness of Sales Staff	5	4	3	2	1
Knowledge Level of Sales Staff	5	4	3	2	1
Speed of Sales Transaction	5	4	3	2	1
Overall Store Rating	5	4	3	2	1

What products would you like us to carry?

What would you like us to change?

How can we improve?

(Optional)

Name: _____

Address: _____

City, State & Zip Code: _____ Telephone: _____

What is Mystery Shopping?

Mystery shopping is an objective view of an operation through the eyes of educated consumers. Trained shoppers enter the business as ordinary customers and provide a detailed evaluation of their experience. It is the only practical method to measure the effectiveness of a company's training programs objectively. By repeated, impartial evaluations being conducted over time, performance of the individual, the team and the company can be assessed accurately.

Based on goals and desires the following can be evaluated:

- customer service skills
- suggestive selling techniques
- product knowledge
- merchandise presentation
- adherence to policies and procedures
- employee integrity
- telephone techniques
- management visibility

Why do customers stop doing business with a company? North American survey results suggest that:

- 69% - poor service
- 14% - product dissatisfaction
- 9% - competitive reasons
- 4% - other reasons
- 3% - move away
- 1% - die

Additionally, statistics show that 96% of unhappy customers do not complain to the establishment, but they do complain to others. Typically an unhappy customer will tell 5-10 people of their bad experience, while a satisfied customer will tell an average of 2.

It cost 5 times more to find a new customer than to keep an existing one.

Word of mouth advertising is more powerful than any form of purchased advertising.

Why Have a Mystery Shoppers Program?

Mystery shopping is a technique used to evaluate customer satisfaction, employee performance and satisfaction, and any other areas that require a dispassionate and unobtrusive collection of data.

- Mystery shopping provides managers with clues as to why customers do or do not return as repeat clients, and helps them assess the variables that can affect customer

satisfaction and employee performance. This is especially helpful in downtown businesses with nearby malls.

- It gives you the opportunity to witness how average customers view the company, and to ensure that the company standards are being followed.
- Mystery shopping is a way to measure and improve service levels. Sales figures measure who the best sales people are, but how are the best service providers identified? By having mystery shoppers go into stores and write a descriptive report on the service and sales skills of the sales people, a quantitative way exists to recognize best performers.
- Mystery shopping allows performance measurement, discover problem areas, re-train in those areas, and then re-measure the performance to see an improvement.

What are the Benefits of a Mystery Shoppers Program?

- This program will re-enforce the training and standards already in place.
- By measuring each employee's skills, additional training can focus only on the areas needing improvement – and, it provides a measurement of improvement in each area.
- This program can also be used to assess employee satisfaction, and may be incorporated into employee performance evaluations or incentive programs.

Increased sales and service awareness on the part of the store team will increase the close rate, the add-on sales and repeat business. Increasing the close rate and add-on sales is probably the easiest and most inexpensive way to increase sales and profitability because those customers are already there.

Mystery shoppers are selected for their retailing background and their ability to assess a store operation with objectivity and without bias. These inconspicuous shoppers are individuals who understand the importance of the project, and take pride in their work.

Immediately after completing the "shop", the mystery shopper submits a report. The standard for each shopper is accurate reporting, high attention to detail and professionally written reports completed during the day of the shop.

The intent of the Mystery Shopping Program is to provide a training and development tool that will measure and ultimately enhance the company and each staff member's performance.

It is impossible to accurately measure success on one day of business, or on one individual's performance. It is equally impossible to measure the level of sales and service skills of a store based on one Mystery Shopper report.

How do I find a space?

What are the steps I need to follow?

**How much time should I allow
for the process?**

Where do I find help?

A GUIDE TO
**Starting your
Business** ●
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Downtown Biddeford is in the midst of an economic resurgence. In recent months, our beautiful, historic downtown area has attracted significant new investment in the form of old buildings being purchased and re-purposed. The market for new business continues to improve every day.

For an individual or entrepreneur, starting a new business can present a major challenge. You need to locate a space to lease. Or possibly buy a building. You need access to funding and technical assistance. You need to obtain city permits and approvals. The process can seem overwhelming to some.

The Heart of Biddeford has created this guide in an effort to make the process of starting your business as simple as possible by outlining the recommended steps and addressing some FAQs we've encountered:

1 LOCATING YOUR BUSINESS: Where does it make sense for your business to be? Is it a retail or service business? Does your business rely on high visibility? Or do you need an office setting?

2 FINDING SPACE: For businesses wanting to locate within the downtown or mill district, the Heart of Biddeford is here to help. Downtown Biddeford is home to a variety of property types: storefronts, office space, residential buildings and historic mills. We maintain a database of space available for lease and buildings for sale in downtown Biddeford. Our database includes square footage, rental rates/listing prices, available parking and other important building data. If you're interested in business parks or outlying areas, contact the office of Economic & Community Development at (207) 282-7119.

3 RESEARCH FINANCING OPTIONS & ECONOMIC INCENTIVES:

A number of loan programs and other economic incentives are available for prospective businesses in downtown Biddeford. These include:

- **Downtown Revolving Loan Fund (RLF):** The Biddeford Saco Area Economic Development Corporation (BSAEDC) administers a low-interest loan fund for businesses locating in downtown Biddeford. Call BSAEDC at (207) 282-1748 or visit bsaedc.org.
- **Downtown TIF District:** Biddeford is working to establish a Tax-Increment Financing (TIF) district for the purpose of infrastructure improvements in the downtown and mill district area. Contact Bob Dodge, Economic Development Director, 282-7119 or bdodge@biddefordmaine.org
- **Facade Improvement Program:** The City of Biddeford has established a grant fund for downtown merchants and property owners seeking to improve their street front facades. The program offers up to \$5000 in matching funds for qualifying improvements. (207) 284-9105 or email lhardacker@biddefordmaine.org.
- **New Markets Tax Credits:** Downtown Biddeford is designated as an eligible district for federal New Markets Tax Credits. These credits are primarily administered in Maine by Coastal Enterprises, Inc. (CEI). (207) 882-7552 or visit ceimaine.org.
- **Pine Tree Zones:** Available to new "qualified business activity" by offering manufacturers, financial

service businesses and targeted technology companies the chance to greatly reduce, or in some cases, virtually eliminate state taxes for a period of time that may be up to ten years. **Contact ECD Office at (207) 282 7119.**

- **Finance Authority of Maine (FAME):** FAME offers a variety of financial assistance options for businesses of all sizes. **(207) 623-3263** or visit famemaine.com.
- **Maine Small Business Development Center (SBDC):** Free business counseling, business planning and funding assistance services are available through SBDC. An SBDC counselor has weekly office hours in Saco. **(207) 324-0316** or visit mainesbdc.org.
- **Financing by Local Lenders:** Several local lenders have offered to help the Heart of Biddeford by sponsoring our business recruitment efforts. These lenders are very much interested in providing financing for qualifying small businesses that seek to locate in downtown Biddeford, and include:

Biddeford Savings
(207) 284-5906

KeyBank
(207) 283-0062

Pepperell Bank & Trust
(207) 282-4121

Saco Biddeford
Savings Institution
(207) 284-4591

Opening a business will require permits, licenses and other approvals from the City of Biddeford. The particular approvals needed for your business will depend on the nature of your business and the scope of needed improvements to real estate. The Heart of Biddeford will provide assistance to you in determining which City approvals you will need to open your business. The following City departments are the first points of contact for issuing approvals:

- **Code Enforcement Office (207) 284-9236:** Building Permit, Certificate of Occupancy, Sign Permit, Conditional Use Permit, Shoreland Zoning Permit, Site Plan, Home Occupation Permit, Private Septic Permit, Historic Preservation Permit
- **Engineering Department (207) 284-9118:** Public Sewer Discharge Permit
- **Public Works Department (207) 283-3577:** Driveway Permit/Opening
- **City Clerk's Office (207) 284-9307:** Business License, Special Amusement Permit

All listed offices are located at City Hall at 205 Main Street, with the exception of Public Works, which is housed in the Public Works Garage at 371 Hill Street.

The City of Biddeford's Guide for Business Starts, Expansions and Relocations contains details about what approvals you may need. This publication is available at both the Code Enforcement Office and the Economic Development Department. A PDF is also available online by clicking on City Departments then Economic Development then Development Process from the City's home page at biddefordmaine.org or at heartofbiddeford.org.

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**WELCOME! YOU'RE ON
YOUR WAY TO BUILDING
A SUCCESSFUL BUSINESS
IN BEAUTIFUL, HISTORIC
DOWNTOWN BIDDEFORD.**

FAQ



Q. I simply need to get a "Doing Business As" (DBA) license. Where do I go?

A. City Clerks Office. A DBA is required for all sole proprietors and general partnerships. All business entities that are corporations (LLC, LLP, C and S Corps) must first file the appropriate paperwork with the State of Maine in order to get a business license from the City of Biddeford.

Q. I need a sign for my business. What do I do first?

A. Signage must comply with City ordinances. Download the signage guidelines at heartofbiddeford.org. Then, bring your sign design to the Codes Office to be sure it complies with local ordinances. Then schedule review with the Historic Preservation Commission. Once the Commission reviews your signs, they will either make recommendations or approve your design on an advisory basis. The Codes office is the final authority regarding signage and will either issue a sign permit or ask for modifications to the signage. Allow yourself approximately 6-8 weeks once you've got your sign designed to get it produced and installed. Time varies with complexity of production and vendors' schedules.

Q. I'm opening a restaurant. How do I apply for a victualer's and/or liquor license?

A. Complete a form provided by the City Clerk's office. Your application will be reviewed by City Council and approved or rejected if your space has not passed appropriate inspections or does not meet City ordinances.

Biddeford, along with its neighboring city, Saco, forms the largest urban center in York County, Maine. The two cities have a year-round population of 40,000 and are experiencing strong growth in population, housing and income. The area's population booms in the summer months as well. The Biddeford-Saco area also has a strong economy, with about 20,000 people employed in the two cities.

"It's the Heart of Biddeford's intention to assist potential business owners and entrepreneurs in starting businesses here in Biddeford. We want to make the process as easy as possible because we want you here."

—Rachael Weyand, Executive Director

Biddeford is located along the Maine Turnpike, just 20 minutes from Portland, Maine's largest city, and 45 minutes from Portsmouth, New Hampshire. The Amtrak Downeaster rail line serves the city; Boston is just two hours away by train. Biddeford is also located on the Atlantic Coast and offers miles of sand beaches.

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