

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: November 16, 2023

PREPARED BY: Deborah Glickman

REQUEST: APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH THE RETAIL COACH IN AN AMOUNT NOT TO EXCEED \$55,000 FOR RETAIL MARKET ANALYSIS AND BUSINESS RECRUITMENT SERVICES

RECOMMENDATION:

1. Approve a contract with The Retail Coach for retail market analysis and recruitment services.
2. Authorize the City Attorney to make necessary, non-monetary changes to the agreement.
3. Authorize the City Manager to execute the agreement and all related documents.

BACKGROUND/ANALYSIS:

On March 9, 2023, the City Council adopted the 2023 City Council Goals which included a goal for "Business Recruitment." The goal is to identify a firm that specializes in business attraction; identifying and recruiting businesses that would be interested in locating in the City. Working with the Economic Development Subcommittee, the goal was further expanded to identify a successful consultant that will provide the following services:

- Expand Palm Desert's existing retail success by identifying similar/compatible retailers.
- Identify and recruit businesses that are more experiential in their offerings (not just retail).
- Identify unique retailers to which residents may not have access.

On August 30, 2023, staff released a Request for Proposals (RFP) that closed on September 11, 2023. Three (3) proposals, from the following firms, were received:

Firm	Term	Year 1	Year 2	Year 3	Total	Hotel Study (Optional)	Total
The Retail Coach	1- 3 years	\$55,000	\$40,000	\$40,000	\$135,000	N/A	\$135,000
Retail Strategies	1- 3 years	\$45,000	\$45,000	\$45,000	\$135,000	\$12,500	\$142,500
Wildan	1 year	\$83,880	\$0	\$0	\$83,880	Up to \$25,000	\$108,880

All three (3) firms provide similar services that include the following:

- Community demographic profiles
- Community forum
- Conference representation
- Developer matching
- Drive-time market profile
- Marking materials

City of Palm Desert
Retail Consultant

- Peer/Community analysis
- Psychographic profiles
- Reporting
- Retail/Developer contact and liaison
- Retail Matching

In addition to confirming the aforementioned tasks, the proposals were reviewed for the following and scored by staff members from the Economic Development and Public Works Departments.

Firm	Score	Regional Knowledge/Personnel Experience	Past/Existing Clients (sample)	Special Features
The Retail Coach	88	- Worked locally and regionally - Assigned personnel has 10 years of experience with the firm	- Beaumont - Indio - Murrieta	Online dashboard of recruitment efforts
Wildan	77	- Worked in Palm Desert but in a non-retail strategy capacity - Assigned personnel has extensive experience in economic development but not retail strategies	- Cudahy - Hayward - Pleasanton	Hotel Study (Optional)
Retail Strategies	70	- Markets worked with are dissimilar to Palm Desert - Assigned personnel has 5 years of experience with the company	- Lemoore - Lompoc - Palmdale	Hotel Study (Optional)

After scoring and discussion, staff selected The Retail Coach for its expertise as a firm, relevant experience of assigned personnel, extensive knowledge of the Coachella Valley, and experience with similar market communities throughout the nation and within the Southern California region.

Upon approval, The Retail Coach will grant exclusivity to the City and will not contract with other cities in the Coachella Valley for the duration of the agreement. Throughout the agreement, The Retail Coach will undertake the following actions:

- Perform a gap study to provide the City with a clear understanding of what businesses are missing from its current stock.
- Research and analyze the Palm Desert retail market for leakage and growth opportunities.
- Determine the City’s unique, viable retail market potential.
- Identify key retail and restaurant targets that align with the City’s vision of growth.
- Recruit target retailers and restaurants through proactive outreach and at industry conferences.
- Guide the City through the recruitment process, including vetting potential targets and assisting with correspondence and meetings with targets.
- Represent the City and coordinate meetings with potential businesses at various trade shows including the International Council of Shopping Centers (ICSC).

In conclusion, The Retail Coach's track record, personnel, knowledge of the Coachella Valley market, and commitment to exclusivity make it staff’s top choice. Therefore, staff is requesting

approval for a one (1)-year agreement with The Retail Coach, with an option for two (2) one (1) year extensions. The cost of the initial year is \$55,000. If the City Council approves two (2) extensions of one (1)-year each, the cost would be \$40,000 each for years two (2) and three (3).

Legal Review:

This report has been reviewed by the City Attorney's office.

Appointed Body Recommendation:

At its meeting on October 16, 2023, the Economic Development Sub-Committee consisting of City Councilmember Harnik and City Councilmember Nestande reviewed and consented with staff's recommendation of The Retail Coach.

FINANCIAL IMPACT:

The Professional Services Agreement is a one (1)-year agreement in an amount not to exceed \$55,000. Funds for this service are available in the Economic Development Department's Professional Services account (Acct. No. 1104430-4309000).

Staff will return to the City Council at a later date for approval of extensions, if necessary.

ATTACHMENTS:

1. Professional Services Contract
2. The Retail Coach Proposal