

Maximize the Returns on Urban Retail and Commercial Development Using Advances in Information Theory, Modeling, Simulation and Decision Support Tools

ACTION AGENDA

<i>Issue</i>	<i>Goals</i>	<i>Action Item</i>
<ul style="list-style-type: none"> • While market actors feel that there is potential for profitable returns in inner city America, there is a lack of visibility into what works and what does not work in urban markets. 	<ul style="list-style-type: none"> • Need for new models 	<ul style="list-style-type: none"> • Compare the store performance on key metrics for major franchisors in urban vs. suburban locations. • Describe prototypical retail development types appropriate for urban environments. • Identify cases studies that delineate urban models of retail success (ICSC)
<ul style="list-style-type: none"> • Each stakeholder in a deal has a different timeframe for investment. 	<ul style="list-style-type: none"> • Understand differing time frames 	<ul style="list-style-type: none"> • Better understand where urban markets are on a "maturity curve" • Develop strategies that appropriately provide investment supports and tools for development at various stages along the way.
<ul style="list-style-type: none"> • Urban neighborhoods are "poor information" areas, much like the urban centers in the developing world. This poverty is due to both the rapid changes that many urban centers are experiencing, as well as different techniques that need to be used to evaluate urban markets. 	<ul style="list-style-type: none"> • Develop new market information 	<ul style="list-style-type: none"> • Develop and/or legitimize analytical tools for urban markets that enable those who want to enter to understand them better and faster. • Better understand how to calibrate risk and manage uncertainty in urban environment, by taking some lessons from companies like General Land that invest in these cities with very poor information.
<ul style="list-style-type: none"> • Address ways to lower these transaction costs, make these deals more "routinized" and better acquaint standard financial markets with their viability as investments. 	<ul style="list-style-type: none"> • Enhance access to capital: advance the field by making these deals more credible to conventional financial sources. 	<ul style="list-style-type: none"> • Initiate a "benchmarking" study to look at the records of accomplishment of major deals, so that external capital sources can become more comfortable with the range of outcomes that these deals generate. • Leverage work the Rockefeller Foundation is doing around developing alternative rates of return for community development projects.