

Rollout planning, execution critical to success of any retail design goals

By AnneMarie Eustace

Retailers have millions of dollars riding on the success of their multi-unit prototype development programs — signature programs representing the industry's defining benchmark for corporate or franchise rollouts.

This prototype or model concept further defines the company's brand, which is then translated into everything from architectural style, color and materials to lighting and signage. Most importantly, multi-unit retail program rollouts represent strong financial opportunities for retail developers focusing on long-term development goals.

As with any large-scale development endeavor, the process requires the utmost of care right from the beginning as there are a myriad of complexities involved in rolling out a successful retail program. The process includes site evaluation and selection; multiple surveys and compilation of geotechnical data; architectural and engineering construction documents; permitting and code reviews and construction administration.

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The unglamorous and cumbersome site selection


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process is probably the single most important element required to ensure success. The due diligence phase of the real estate contract is required so that the site may undergo intense scrutiny, empowering the investor to make informed choices regarding the potential purchase and development of a specific site.

In evaluating each potential site, the due diligence period must achieve certain goals for decision-making purposes. Items that should be included for evaluation include:

- Survey with the benefit of title
- Geotechnical report evaluating soil conditions for additional drainage and structural costs
- Q&A with reviewing governmental agencies in the identification of development costs, time frames for approvals and items for consideration in the possible renegotiation of the real estate transaction

The seller or landlord often orders a standard ALTA or boundary survey, though it is usually prudent to take this task (with the cost credit, of course) from the seller and order the survey directly. This will allow flexibility in obtaining additional survey information, such as topographic data, not typically offered by the seller's survey. This survey



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must also be completed with the benefit of title work so that all encumbrances and potential conflicts on the site are identified and dealt with early in the process. The geotechnical report (or soils report) is also necessary to evaluate conditions relevant to additional development costs. This information is imperative for the structural design and impact on the drainage system design.

It is wise to ensure local ordinances and state statutes are in keeping with the prototype design and conceptual site plan(s) and to query all reviewing agencies requiring approvals or permits to gain insight into their model application or local building codes. There are many nuances relevant to code interpretations that can arise during the plan review process that can cause excessive delays. It is important to identify and address unresolved conflicts upfront with an understanding of the issues at hand, relevant to prototype and code applications. Should the developer fail to invest in a thorough site investigation, the end result could be that excessive costs will be incurred to develop a site, or in worst case, the owner may have taken title to a completely undevelopable piece of property.

The timing of the approval process can be anticipated and incorporated into the overall timing of the rollout segment and benchmarks once all agencies requiring approvals are interviewed. In order to meet established dates for program thresholds, accurate estimations required for the approval process are imperative. It is always best to know the truth in terms of approval timeframes rather than to live with false hope.

Another component of agency research reveals development costs associated with approvals and permits that will be incurred early in the process. They include: building permit fees; one time impact fees for roads, fire, police or other local services; review fees; utility connection fees and/or other surcharges associated with the project. In addition to being savvy regarding fees for the site development component, adequate funds must be allocated for the complex process of coordinating multiple sites in support of a responsible, effective project team.

It is important to realize that the costs associated with the site investigation phase of the retail development program pales in

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comparison to the costs of moving forward with a program laden with unanticipated expenses.

The construction documents phase begins once all the above information is evaluated and the decision is made to develop the site. The real estate contract's due diligence period may have passed; nevertheless, time still remains critical. It is imperative that all disciplines work together, often involving multiple consultants across the nation, to coordinate the necessary components with a constant eye on accomplishing the developer's goals. Team project players must have very positive, established relationships not only to ensure compliance, but also to obtain consistency of construction documents.

It is extremely valuable to have all disciplines under one company umbrella in an effort to produce a cost-effective, streamlined and effective retail program rollout. The necessary disciplines include architecture, structural engineering, building engineering (mechanical, electrical and plumbing systems), civil engineering, landscape architecture, and as needed, interior design.

Although permitting staff is not part of the design team, it is essential to have them involved throughout the entire design process to coordinate submittal deadlines and keep the program on track.

With the construction documents completed, there are two parallel processes that must take place to streamline time; that is, the bidding process and the permitting/approval process. Obtaining, receiving and evaluating bids from contractors clearly are important components of the process as

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they have the largest impact on the developer's budget. Experienced professionals savvy in bid negotiations and contractor selections are most valuable in this phase of development.

The daunting task of securing approvals from the governing agencies is best left to those who understand the intimate details of a municipality's process to ensure the retail program continues to move through the review process. Dedicated personnel can be the most effective method of keeping the project from becoming stagnant on any reviewer's desk. Simultaneously, this same professional is responsible for coordinating all outside agency needs that will ultimately culminate in pulling the building permit.

Once permits have been issued, the construction administration phase

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begins. This later stage requires an experienced professional to troubleshoot and maintain the program schedule in order to deliver a high-quality product that satisfies developer and customer standards.

It is critical that the developer be very discerning in the selection of outsourced, multi-unit retail development program management specialists. If a seasoned team works seamlessly as a unit, they will be able to identify and resolve inevitable hurdles as they arise, minimizing delays and surprises. The team's goal should be dedicated to maximizing the potential for operating weeks for each location, positioning the retail developer to optimize the success of rollouts nationwide.

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The \$20 million company currently employs a staff of over 200 and has produced more than 30,000 sites since founding the company in 1972, many of which have been retail projects and programs. Interplan LLC is based in Orlando with additional offices in Chicago, Dallas and Atlanta to service clients nationwide. The company is licensed in 49 states, the District of Columbia, Puerto Rico, Guam and the U.S. Virgin Islands.

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