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TORG: Outlet Retail Specialists

David Hinkle and Lisa Wagner, The Outlet Resource Group

2017 STATE OF THE OUTLET INDUSTRY REPORT

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Remembering Barry Sturm**

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THE Outlet Resource Group



TORG knows where the sector is, where it's been and where it's going.

By DUKE RATLIFF
Managing Editor

David Hinkle and Lisa Wagner brought decades of experience to The Outlet Resource Group (TORG) when they formed the advisory firm in 2015.

From leasing and marketing to development and advising on acquisitions, both TORG principals can draw from their extensive histories in retail real estate. Nevertheless, possibly the most important character trait shared by Wagner and Hinkle to assist their clients is the pair's ability to adapt—and even embrace—change.

“I like to call us ‘change agents,’” Wagner said. “I think some people in our industry tend to be myopic—it has to be this, it has to be that. When you do that, you're not only underestimating yourself, you're underestimating where the customer is in their thinking and behavior.”

“If you are actively listening, the customers are telling you loud and clear what they want in a retail environment.” Hinkle concurs.

“Knowing where we've come from is a huge asset for our team,” Hinkle said. “We are open minded and aggressively working to identify where we think the next generation of outlet opportunities will be. It's our belief that the outlet sector will evolve into different opportunities, more micro than in years past. It's a fine balance to focus on core competencies while making sure that we're in the front of where we think the retail landscape is moving, and we're doing that.”

INTEGRATED STRATEGY

TORG utilizes an integrated approach to serve and assist its clients whether it's to maximize performance of exist-



Top: David Hinkle and Lisa Wagner. Above: Mitchell Brown and Lisa Wagner at the newly renamed OKC Outlets.

TORG

DAVID HINKLE, Principal
LISA WAGNER, Principal
MITCHELL BROWN, COO, SVP Marketing
RON SIMKIN, SVP Leasing
MARC GURSTEL, VP Leasing
CINDY HOKE, Director of Center Marketing
MELISSA TILLEY, Leasing Coordinator



Leasing and marketing teams share information as part of TORG's integrated approach.

ing centers, develop new center destinations or provide guidance on expansion. TORG evaluates where the center is strategically, what the marketing plans are and then shares that information between its leasing and marketing teams. The staff goes on to develop specific marketing initiatives to help a specific retailer at the center or a group of retailers.

"Our leasing team has a general understanding of what's going on in these centers from a marketing point and an operations standpoint, and that's not the norm," Hinkle said. "We're not sitting in an office with a headset, making phone calls saying 'here's center X, Y, Z—here's your rent.'"

Key TORG staff members include Mitchell Brown, the chief operating officer and senior vice president of marketing; Ron Simkin, senior vice president of leasing; and Marc Gurstel, vice president of leasing. Cindy Hoke is director of center marketing and Melissa Tilley is leasing coordinator.

The TORG team is constantly monitoring overall consumer habits, while at the same time, it's collecting data on local market demographics and shopping trends.

"We believe that you'll see a smaller outlet retail footprint," Hinkle said. "And you'll see more dining and entertainment. It will be dictated by which market you're working in and the location of the center in the marketplace."

A good example of the future of outlet retail, Hinkle said, is Celebration Pointe, a mixed-use project that TORG works with in Gainesville, Fla. The million-square-foot project includes outlet shopping, entertainment, office space and a residential complex.

"Celebration Pointe is a snapshot of what

future outlet retail can be, with other components mixed in," Hinkle said. "Different markets and developments will dictate the end result. The idea of one-size-fits-all is going away."

Also firmly in the forward-thinking category, TORG is implementing the conversion of The Marketplace Mall, in Rochester, N.Y., into Marketplace Outlets. The stores Loft and Express are in the process of converting and remodeling to their latest outlet prototypes. Outlet retailers already include New York & Company Outlet, Aeropostale Factory and Children's Place Outlet.

TORG's purchase of the Outlet Shoppes at Oklahoma City in April is a good reflection of the company's all-encompassing services. TORG teamed with its private equity partner

Singerman Real Estate to do the buy. The Singerman partnership allows TORG to invest in projects, assist with recapitalization strategies and provide financial expertise to clients. TORG also owns Lincoln City Outlets in Oregon.

Meanwhile, TORG worked closely with Oklahoma City officials, while moving quickly to rebrand the center. Renamed OKC Outlets within weeks of the purchase, the center is undergoing a rebranding effort as a grand re-opening is scheduled for November.

"We're completely reimagining the way the center looks and we're looking to add interesting things that add texture and a local, regional feel," Wagner said. "We want to add things that

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TORG implemented 3D windows, first seen in Europe, to cover a vacant space at St. Augustine Outlets.



TORG's Ron Simkin, David Hinkle and Marc Gurstel at St. Augustine Outlets.

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are evocative to the market and something extra special for the visitors.”

For instance, Oklahoma City is known as the “Horse Show Capital of the World,” and OKC Outlets is five miles from State Fair Park, the site of numerous equine events throughout the year. With that in mind, TORG is working to attract equestrian-oriented retailers to OKC Outlets. At the same time, TORG is working with a national restaurant operator to present a new concept as part of the food-and-beverage offerings.

“That would provide a regional flavor,” Hinkle said. “From a broader perspective, it brings a more recognizable name into the sector.”

CUSTOMIZED APPROACH

Customized marketing runs deep with TORG. Despite its decades of retail real estate experience, TORG doesn't apply a uniform strategy to seemingly similar clients. Instead, the company takes a customized approach to each site and center

“We kind of do this the hard way,” Wagner said. “It would be much easier to have a blanket ad campaign that crossed all the centers and just change the names and call it a day. But we know that it's not as effective as customized programs to each center's mix, market compositions and nuances. And it's working because it also demands that you monitor it constantly and make constant changes and tweaks.”

Another way that TORG differentiates itself is through its international experience and connections. Building on Wagner's previous experience to help launch outlets overseas, TORG

continues to be a presence internationally. The company works with international centers; Wagner speaks at international events and the company has affiliates based in Europe.

“We believe that consumer demand is such that there is virtually no country where there won't ultimately be a demand for outlets,” Wagner said. “So we think there is a great opportunity for us to be involved on every front.”

Most recently, TORG teamed with Freeport, an outlet pioneer and a major independent outlet specialist in Europe. The two companies are already partnering on two planned outlets

in France—The Village near Lyon and Viaduc Village in the south of France.

“No one has the kind of global approach that we have,” Wagner said. “Freeport has an excellent management set up in Europe. We feel we can learn from them and they can learn from us.”

TORG is also extremely active in working with institutional and private equity investors. The company is often engaged by municipal and financial groups to assist on a consultant basis.

“You have to execute on a day to day basis,” Hinkle said. “But if you don't think ahead, you're going to be left behind.” ■



TORG is working on the leasing and marketing of Viaduc Village in the south of France.