

CITYVIEW'S

BUSINESS JOURNAL



Modern-day TREASURE HUNTING

The rise of bin stores

By Colson Thayer

Customers line up outside the store on a warm Saturday morning in February. Seventy-nine tickets are handed out before the store even opens — tickets that determine the order of entry. Once 10 a.m. hits, those first in line run into the store. By 10:02, carts are full. At 10:05, the first purchase is made.

“I think there’s a certain kind of a mental high you get, coming into a place like this, not knowing what you’re going to find,” said store owner David Gantt.

To the average onlooker, this scene might appear to be taken out of a Black Friday playbook; and, for some, it truly is. Customers rifle through bins of product overstock, returns, unsold clearance items and liquidation assets. Some of the luckiest customers leave with LEGO sets, scooters, board games, bedding and TV stands for only \$9. If it doesn’t sell on Saturday, the price will be lowered to \$6 apiece on Sunday, then \$3 on Monday. The chaos returns on Tuesday when everything is only \$1.

“Instead of pricing stuff, the whole concept is let the customers decide what it’s worth,” Gantt said.

Customers fill The Looney Bin Store in Clive within minutes of opening.

FEATURE

The Looney Bin Store

Before opening The Looney Bin Store in Clive, Gantt had no real previous experience in retail. But now, he and his wife, Diane, week after week, find themselves stocking up their store for Saturday mornings.

Gantt got the idea when he was visiting his daughter's father-in-law in Tulsa, Oklahoma. Bobby, as they call him, successfully runs two bin stores in that market.

"I thought it looked like an interesting business that Des Moines could use," Gantt said.

Gantt went on to spend weeks in Tulsa learning the tricks of the trade. He wanted to duplicate what Bobby was doing as closely as possible. Soon, Gantt learned what he needed to know about suppliers, inventory and how to run a successful bin store.

Beginning in the summer of 2021, the Gantts began their search for their store location. In April 2022, they opened their doors for the first time. At the time, The Looney Bin Store was central Iowa's biggest bin store in terms of square footage.

2nd Chance Liquidation

"COVID is really what started it all for us," said Rebecca VanDorpe, owner of 2nd Chance Liquidation in Urbandale.

Before the beginning of the pandemic, VanDorpe was running a gluten-free bakery out of her home kitchen. Meanwhile, her husband, Alex, was running a casino party company that relied on gatherings for business.

A friend of the couple introduced them to liquidation: purchasing another company's entire inventory when it goes out of business. Their friend had been running his own bin store in Des Moines and utilizing eBay. Everything at his warehouse was \$5 per piece. The VanDorpes visited his store, bought a bunch of stuff and flipped it all to sell on Facebook.

"We ended up doing that a couple of times, and then we decided to get brave and buy a pallet from him," VanDorpe said.

At that time, the VanDorpes were living in Cedar Rapids and sold their liquidated goods out of their garage. Quickly, their traction on Facebook picked up, and they needed to rent a small space out of a mall. They established their first storefront as a liquidation and discount store under a different name. For a year, they sticker-priced and displayed goods, but it was never a true bin store.

At the end of 2021, the couple moved back to the metro to be closer to family. They brought with them a goal: to open another liquidation store. In October 2021, they opened their current location as a "discount mall." 2nd Chance Liquidation was given



David Gantt owns The Looney Bin Store in Clive.

three months of free rent when they started leasing the space. The VanDorpes took it as an opportunity to make their business known to the public as a bin store before it even opened as such. In February 2022, they made the switch.

"We knew the whole time that we wanted to do bins eventually because we knew that's where the money was. We knew that's where the popularity was growing," VanDorpe said.

On the first day 2nd Chance Liquidation was open as a bin store, about 50 people were outside waiting in line before the store opened. They were slammed all day.

Suppliers and inventory

Bin store owners like Gantt and VanDorpe are not able to get their inventory directly from the original sellers.

"There are contract holders all over the country," Gantt explained. "They hold contracts with all the big companies like Target, Walmart, Costco, Sam's, T.J. Maxx, Kohl's and whoever. And these contract holders can get the overstocks and returns and things like that from the stores."

The stores send their overstocks and returns to central distribution centers. The distribution centers

sell pallets to contract holders and brokers, who then sell to bin store owners. Gantt, for example, makes weekly trips to Minneapolis with his own truck to pick up pallets for his store. Other times, the pallets are brought directly to the stores and warehouses, but there is one catch.

"You can buy these overstocks and returns and things, but you pretty much have to buy an entire semi load to get the kind of pricing we get," Gantt said. "So, it's not like the average guy can go and say, 'Hey, I want a pallet of this or that.' You need to buy a semi load."

The pricing for each semi load varies. Gantt estimated the least expensive ones to be around \$10,000, with the priciest around \$20,000.

2nd Chance Liquidation owns its own pallet house. There, they house their own pallets, as well as sell pallets to the public and other bin stores.

When 2nd Chance Liquidation receives its inventory, the first thing to do is sort it. VanDorpe claimed that other bin stores simply dump their inventory in the bins; 2nd Chance, on the other hand, hires processors to go through their inventory before it goes to the store. They sort the inventory into categories and get rid of the trash and packaging that comes along.



Rebecca VanDorpe owns 2nd Chance Liquidation in Urbandale.

Pricing

VanDorpe estimated that each pallet comes with anywhere between 300 and 1,100 items, costing 2nd Chance about \$1.60 per item. At that price point, they can justify selling electronics, appliances, toys and everything in the bins for as low as \$7.

At 2nd Chance Liquidation, Wednesdays and Thursdays are spent restocking. Doors open at 10 a.m. each Friday with a price point of \$7. By the end of the day, much of the inventory is gone. What is left is sold for \$7 on Saturday, \$5 on Sunday, \$3 on Monday, and \$1 on Tuesday. VanDorpe said she typically sees around \$3,000-\$4,000 in sales on Fridays, \$3,000 on Saturdays, \$600-\$900 on Sundays, \$1,100-\$1,400 on Mondays and \$1,600 on Tuesdays.

The Looney Bin Store follows a similar schedule at slightly different prices: \$9 on Saturdays, \$6 on Sundays, \$3 Mondays and \$1 on Tuesdays. What The Looney Bin Store does differently is offering a “vault” section in the store. In the vault, customers can find furniture, bedding, vacuums, strollers, snowblowers and more. When Gantt receives these items, he prices them at about half the retail price. Each week, if an item does not sell, he’ll lower the price again.



A photo posted by 2nd Chance Liquidation on Facebook features \$10 “mystery boxes.”

Returns and refunds

Neither store offers refunds on merchandise found in the bins. At The Looney Bin Store, Gantt will refund any purchase made from the vault within seven days of purchase.

“It’s a gamble way of shopping,” VanDorpe said.

Both stores do offer ways for customers to see if products are damaged or broken. At The Looney Bin Store, Gantt has two tables on either side of the store with outlets and batteries to test products. At 2nd Chance Liquidation, customers are not allowed to open any goods, but employees are happy to help open and assist as needed.

For the unwanted goods each week, 2nd Chance Liquidation devised a solution. VanDorpe prepares unwanted items and gathers them in “mystery boxes.” Customers must then join a waiting list for these \$10 boxes.

The industry’s future

“I firmly believe that bin stores are going to be what’s happening here in the future,” VanDorpe said. “You’re going to go to the grocery store to get your food, and you’re going to go to a bin store to shop for your other stuff.”

And that might be the case as malls continue to close and big retail stores continue to get rid of unwanted goods. But, for now, the biggest challenge to bin stores is familiarity.

“Most of the people that walk in that haven’t been here, have no idea how this works,” Gantt said.

“I am always telling people, ‘Go see Looney Bin; go to these other bin stores,’ because I want people to be as educated as possible about bin stores so that they want to go see all of them,” VanDorpe said. ■



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KEYNOTE SPEAKERS



Tiffani Bova

Chief Growth Evangelist, Salesforce

Bova has been named to the latest Thinkers50's list of the world's top management thinkers and is a welcomed guest on Bloomberg, among others.

She is a change maker whose thought-provoking and forward-thinking insights have made her a frequent guest on a variety of industry-leading podcasts and live broadcasts.



Tommy Breedlove


Author and Feature Keynote Speaker

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BUYER: BATRA HOSPITALITY GROUP INC
ACRES: 2.456
SQUARE FEET: 73,419

SELLER: NOAH, ANNE MARIE
BUYER: AYBARR AT NOAH'S LLC
ACRES: 0.730
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SALE PRICE: \$770,000
SELLER: 1710-86 HOLDINGS LLC
BUYER: RIDGWAY HOLDINGS LLC
ACRES: 0.586
SQUARE FEET: 7,128



710 S.W. THIRD ST., ANKENY
SALE DATE: 2023-01-17
SALE PRICE: \$340,000
SELLER: 98 INVESTMENTS LLC
BUYER: JC K&G NORWALK LLC
ACRES: 0.471
SQUARE FEET: 2,964

NO ADDRESS, SOUTH DES MOINES
SALE DATE: 2023-01-06
SALE PRICE: \$110,600
SELLER: VACCO, BRANDON M
BUYER: FATINO PROPERTIES LLC
ACRES: 0.483
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2359 E. GRAND AVE., DES MOINES
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SELLER: GRUEN, STANLEY C ESTATE
BUYER: VELAZQUEZ, VICTOR
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SQUARE FEET: 1,224



6115 S.W. NINTH ST., DES MOINES
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SALE PRICE: \$115,000

1537 VERMONT ST., DES MOINES
SALE DATE: 2023-01-12
SALE PRICE: \$600,000
SELLER: DARLENE M THOMPSON LIVING TRUST
BUYER: VERMONT BUILDING LLC
ACRES: 0.472
SQUARE FEET: 9,055

NO ADDRESS, ANKENY
SALE DATE: 2023-01-18
SALE PRICE: \$1,300,000
SELLER: KNAPP-ELWELL LC
BUYER: CONVENIENCE BUSINESS PARK LLC
ACRES: 4.730
SQUARE FEET: 0

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CRE-PRO LLC	POSTVILLE	ALLAMAKEE	01	\$2,500,000	4	2	6	EXISTING BUSINESS	Other Activities Related to Real Estate
Tubaugh Properties, LLC	CENTERVILLE	APPANOOSE	02	\$180,000	2	2	0	NEW BUSINESS	Offices of Chiropractors
Tubaugh Family Chiropractic Clinic, Inc.	CENTERVILLE	APPANOOSE	02	\$45,000	2	5	3	NEW BUSINESS	Offices of Chiropractors
William Orthaus	IONIA	CHICKASAW	04	\$73,500	1	1	1	NEW BUSINESS	General Freight Trucking, Local
William Orthaus	IONIA	CHICKASAW	04	\$73,500	1	1	1	NEW BUSINESS	General Freight Trucking, Local
Balk Performance LLC	SABULA	CLINTON	01	\$35,000	2	0	0	NEW BUSINESS	Sporting and Recreational Goods and Supplies Merchant Wholesalers
Robotic Ag Solutions, LLC	BATTLE CREEK	IDA	04	\$85,000	1	0	0	NEW BUSINESS	Soil Preparation, Planting, and Cultivating
LITTLE VILLAGE, LLC	IOWA CITY	JOHNSON	02	\$82,000	3	15	15	EXISTING BUSINESS	N/A
Coffee Emporium LLC	TIFFIN	JOHNSON	02	\$198,500	15	18	18	EXISTING BUSINESS	Snack and Nonalcoholic Beverage Bars
InCourage Counseling PLLC	ALGONA	KOSSUTH	04	\$18,000	2	2	0	NEW BUSINESS	Offices of Mental Health Practitioners (except Physicians)
Ssyoungh and Family, Inc.	Marion	LINN	01	\$235,000	1	5	5	EXISTING BUSINESS	General Automotive Repair
STAPES CONCRETE AND GRADING LLC	Saint Charles	MADISON	03	\$350,000	3	3	3	EXISTING BUSINESS	Site Preparation Contractors
DPW Services, Inc.	Altoona	POLK	03	\$170,000	2	4	2	NEW BUSINESS	Remediation Services
DPW Services, Inc.	Altoona	POLK	03	\$50,000	2	4	2	NEW BUSINESS	Remediation Services
Castle Fitness Holdings LLC	Ankeny	POLK	03	\$250,000	0	2	2	NEW BUSINESS	Fitness and Recreational Sports Centers
1500 Delaware, LLC	Des Moines	POLK	03	\$3,362,000	5	0	12	EXISTING BUSINESS	General Freight Trucking, Long Distance, Truckload
Golden Brother Company Inc	DES MOINES	POLK	03	\$1,000,000	0	5	5	NEW BUSINESS	Supermarkets and Other Grocery (except Convenience) Stores
KBJ Real Estate, LLC	Grimes	POLK	03	\$248,000	4	0	8	EXISTING BUSINESS	Flooring Contractors
JT Fitness LLC	URBANDALE	POLK	03	\$75,200	2	0	6	EXISTING BUSINESS	Sports and Recreation Instruction
THE LUTHERIE SHOP, LLC	URBANDALE	POLK	03	\$19,000	1	1	1	EXISTING BUSINESS	Other Personal and Household Goods Repair and Maintenance
Hot 3, LLC	Davenport	SCOTT	02	\$267,700	11	1	1	NEW BUSINESS	Fitness and Recreational Sports Centers
Randy R. Mumm and Teresa S. Mumm Revocable Trust	Ames	STORY	04	\$509,000	18	0	75	EXISTING BUSINESS	Limited-Service Restaurants
Freedom Self Storage 24/7, LLC	Carlisle	WARREN	03	\$2,304,000	0	0	1	EXISTING BUSINESS	Lessors of Nonresidential Buildings (except Miniwarehouses)



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CITYVIEW'S BUSINESS JOURNAL

EXPERT ADVICE

ON ISSUES THAT MATTER TO YOUR BUSINESS

TECHNOLOGY

You're Welcome

Our IT departments, IT partners, and IT Infrastructure are commonly the most willing or able to make our lives a little easier. When thinking about recent events in our community I tend to realize that there are so many people doing things a lot of us can't imagine doing for one reason or another.

When it comes to technology, there are expectations and thoughts that we just want it to work. The value of the technology working sometimes doesn't present itself until we must live without it. This past month in our community we had a cyber-attack on one of the largest public-school districts we know. We also had a much more significant event that costs the lives of children in our community and risked the life of someone that serves in a way that many people can't imagine...

Staying with this issues theme, I just want to say THANK YOU. Thank you to all of the people that are behind the curtains maintaining systems, responding to calls, and rising to the occasion!

Let's keep them equipped!



Scott Hardee

Business Development Executive – Branch Manager



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ACCOUNTING

Can I take itemized deductions for the 2022 tax year?

This is a typical question during tax season for individual clients.

Before I answer the question, let me explain what it means to be able to "itemize" on your tax return. In order to itemize you must have enough deductions that in total they exceed the standard deduction.

In 2018 the federal standard deduction increased from \$12,000 to \$24,000 for married individuals and from \$6,000 to \$12,000. This meant that you had to have a lot more in the "itemized" deductions to have enough to exceed the standard deduction. Therefore, many people thought that they could no longer itemize.

This is true for Federal, however, Iowa did not change their standard deductions, which are \$5,420 for married and \$2,210 for single.

So the answer to the question is YES, you still can take itemized deductions in 2023.

Here is a list of the common itemized deductions: mortgage interest, property taxes, car tags, donations, and medical (if you meet the 7.5% threshold)

The best way to find out is to bring all your deductions with you to your tax appointment and your preparer can determine if you have enough to itemize.



Ann M. Hartz

CPA



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ADVERTISING

Branding is important to your advertising strategy

Brand advertising builds a connection with consumers over a long period of time. It establishes your identity and credibility in the market place, providing tremendous value to your business. Branding helps make the cash register ring.

Successful branding starts with a thorough understanding of your business. What is your niche? How are you better than you competitors? Why are your customers loyal? What do they say about you? Who are you or who do you want to be in the market place?

Are you quality, fast, cheap, friendliest, award-winning, dependable, giving back to the community, etc.? Through brand advertising, you control your story, image and reputation.

Pinpoint your brand and communicate it to your customers and community. Include brand advertising in your marketing strategy with the goals of:

- 1) Creating a positive impression,
- 2) Increasing awareness,
- 3) Supporting loyalty among current customers and
- 4) Generating demand for your products and services.



Jolene Goodman

Vice President



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A woman with dark hair, smiling, wearing an orange button-down shirt and a blue and white striped apron. She has her arms crossed and is wearing a watch and a necklace. The background is a blurred office or kitchen setting.

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