

## COUNCIL AGENDA SUMMARY

**DATE:** June 3, 2021  
**TO:** Mayor, City Council  
**FROM:** Blake Phelps  
**RE:** **Target Market Analysis**

**ISSUE:** Authorize Mayor Craft to execute a professional services contract with Noell Consulting Group to conduct a market analysis to better understand the market potential for future development of various land uses citywide and within targeted development areas such as the Medical Village, Waterway Village and Gulf Beach District.

**BACKGROUND:** The City has identified the Gulf Beach District, Waterway Village and emerging Medical Village as target development areas. Significant investments have been made in these areas in the form of roadway, pedestrian and bicycle infrastructure, public amenity spaces and strategic property acquisitions to enhance the City's ability to create development opportunities consistent with the vision for these districts. Staff believes completing a target market analysis is critical to understanding the realistic near-term market potential for these areas and the various commercial and residential land uses which can be economically supported in these areas over the next five years.

There are four primary questions that the proposed market analysis will answer that will help define planning and development opportunities in these areas.

1. Who are the market audiences fueling growth and demand in the area for the various real estate products and how can future development best respond to their affordability, lifestyles, and expectations?
2. What is the depth of the market and demand potential for targeted uses in the greater competitive area (citywide) and within priority areas/planning nodes?
3. What product types and market position best responds to market demand in light of existing and planned supply by land use?
4. What key economic development policies or strategies can be created to further potential market success that is in line with community desires?

Our objective in undertaking this engagement will be to understand the market audiences fueling demand for targeted residential and commercial products in the area--understanding their depth, preferences, and current options in the market--and identifying the types of future development that best responds to both market demand and competitive supply.

The results of our efforts will be a series of recommendations that address:

- Overall level of opportunity within the community and within each targeted market/planning node;
- Mix of land uses by product type;
- Targeted market audiences for each land use type and key “selling” factors to each;
- Targeted positioning of the product types and key components in the market;
- Achievable sale prices, lease rates, and rental rates by product type; and
- Key development parameters that can help maximize opportunities for success while minimizing potential pitfalls, such as:
  - Understanding supportable land values;
  - Major density thresholds based on construction types and land basis; and
  - Potential opportunities for mixed-uses and/or shared parking scenarios

This detailed analysis will provide the City Council and staff with objective market-based data that will greatly assist our continued planning and development efforts and will serve as a valuable resource for third parties evaluating development opportunities in our community.

Attached you will find a proposal from Noell Consulting Group and excerpts from some of their prior work that will illustrate the detailed analysis they conduct.

**RECOMMENDATION:** Authorize Mayor Craft to execute a professional services contract with Noell Consulting Group in an amount not to exceed \$50,000.00 to conduct a market analysis to better understand the market potential for future development of various land uses citywide and within targeted development areas such as the Medical Village, Waterway Village and Gulf Beach District.

**BUDGET IMPLICATIONS:** Not to exceed \$50,000.00 – Will be budgeted in the Executive Department 01-501-6331 account.

**ATTACHMENTS:** Target Market Analysis Proposal, Excerpts from prior work

**DEPARTMENT:** Executive Department

**STAFF CONTACTS:** Blake Phelps, Economic Development Coordinator