LAWRENCEVILLE
GEORGIA

DOWNTOWN DEVELOPMENT AUTHORITY SPECIAL CALL

AGENDA

Monday, July 15, 2019	Council Assembly Room
6:00 PM	70 S. Clayton St, GA 30046

Call to Order

Approval of Agenda

Downtown Development Business

1. Market Research Proposals

Other Business

Citizen Comments

Executive Session - Real Estate

Final Adjournment

Noell Consulting Group
Marketunistic Real Estate Advice

Sent via e-mail

July 9, 2019

Ms. Lee Merritt
Downtown Development Authority of Lawrenceville
70 S. Clayton Street
PO Box 2200
Lawrenceville, GA 30046

2450.00

SUBJECT: Market Analysis and Direct Consumer Research for Identifying Unmet For-Sale Residential Development Opportunities in Downtown Lawrenceville

Dear Lee,

We understand the Downtown Development Authority is interested in market and consumer analysis to help identify any potential unmet development opportunities for for-sale residential products and/or price ranges in Downtown Lawrenceville.

To this, we believe there are four key questions that, when answered, will provide you and future developer/builder prospects with the knowledge and direction needed to understand unmet opportunities in the market. These questions are provided below and form the core of our efforts in this engagement.

Who are the existing audiences the community has done well in attracting and/or missed out on, and what are the features that have attracted or detracted them?

How deep are these market audiences and how do they compare to audiences attracted in analogous suburban Atlanta historic Downtowns?

How is Downtown Lawrenceville positioned in the market relative to its peer suburban historic Downtown set, and are there significant product or price deficiencies relative to them with market support?

What is the appropriate strategy for differentiating the community from its competitive/peer set and best meeting the audience's expectations and thus maximizing value enhancement?

In answering these questions, we will provide you with an analysis that is market-based yet opportunistic, recognizing the unique aspects of the Downtown. The outcome of our efforts will be a set of recommendations that addresses:

- Level of opportunity by product type;
- Target market audiences;

130 Krog Street, Suite Z, Atlanta, GA 30307
Ph: 404-681-0006
noellconsulting.com

- Supportable units and achievable sales paces; and
- Appropriate positioning in the market.

Our conclusions and recommendations will be provided in a visually-oriented package that provides your team and other readers with the knowledge they need to make key decisions relative to developing these unmet opportunities.

Scope of Work

The following summarizes the scope of work we will undertake to answer the aforementioned questions and provide the recommendations listed above.

1. **Project Inception**

   In this initial portion of the engagement, we will meet with you and your team to:
   - Confirm our goals and understanding of our objectives;
   - Confirm timelines of both our efforts and notable Downtown improvements; and
   - Identify other key issues that are relevant to our research and analysis process.

   We will then visit the Downtown and place it in the physical context of the market, understanding how it relates to respective demand sources, comparison to other suburban historic Downtowns, understanding existing competitive supply, and assessing its key strengths and challenges.

2. **Answering the Major Questions**

   The bulk of our research and analysis efforts will be spent answering the key questions identified on the preceding page.

   Who are the existing audiences the community has done well in attracting and/or missed out on, and what are the features that have attracted or detracted them?

   - Examine existing demographic reports on the community's current resident base as well as how it has been evolving;
   - Create an online survey to be distributed by area major employers (with the DDA's assistance). Survey will be created to gauge likes/dislikes of the community, features, amenities, services, retail, entertainment, etc, as well as what product types respondents would or would not be interested in seeing within the Downtown. Survey will ask for respondents willing to discuss their opinions in greater depth for further direct consumer research (not a part of this engagement, but good to collect for future endeavors).
   - Following completed execution of the online survey, we will analyze the results to identify potential for-sale residential product types and price points missing.

   How deep are these market audiences and how do they compare to audiences attracted in analogous suburban Atlanta historic Downtowns?

- Examine and analyze demographics for the primary market area to understand growth of target market audiences in the PMA and their depth by age and income level. Assess with respect to potential for continuing to target these core groups.
- Conduct interviews with existing and analogous competitive communities' sales agents and/or area realtors to gain further insights into the market audiences fueling demand for for-sale products in the competitive market and other suburban historic Downtowns, their key motivations and decision factors, and perceived market depth.
- Examine the relationships between area job growth, demographic growth, and demand for new for-sale residential products in the primary market area.
- Create a demand model that incorporate economic, demographic and market components and estimates demand potential by price point and by year over the next five years.
- Incorporate other projects likely to deliver in the next five years (the competitive pipeline) and estimate captures of demand Downtown can achieve.

How is Downtown Lawrenceville positioned in the market relative to its peer suburban historic Downtown set, and are there significant product or price deficiencies relative to them with market support?

- Evaluate the various attributes of Downtown Lawrenceville, its location relative to demand generators, school scores, interstate access, hospital access, retail and entertainment offerings--factors all important to the end users and factors they examine when deciding where to purchase--and score these attributes relative to other suburban Downtowns in the Atlanta region (Duluth, Suwanee, Norcross, Roswell, Alpharetta, Marietta, etc.) competitors/analogous in the market.
- Create a positioning matrix that weighs each of these attributes, including incorporating key factors provided by area realtor interviews, and identify the appropriate position for these units in the market, and any potential for future upside.
- Identify and survey key comparable and analogous/competitive for-sale residential properties in the market to understand purchasers options and demonstrated preferences. Properties should be surveyed for:
  - Location;
  - Year built;
  - Market position;
  - Achieved sales prices by product type;
  - Amenities and unit finishes offered;
  - Size (units offered);
  - Current sales by unit type, sales pace;
  - Mix of units offered and unit sizes;
  - Key audiences attracted
  - Other design and marketing issues, such as parking ratios, fees, etc.

What is the appropriate strategy for differentiating the community from its competitive/peer set and best meeting the audience's expectations and thus maximizing value enhancement?

- Showcase analogous communities from across the Atlanta region that have been successful in targeting similar target audiences/price points, and/or created unique customer experiences that we can emulate. Communities will be identified from NCG's extensive background of regional work on for-sale product.

- Utilize the results from all the steps above and recommend the most appropriate community enhancement strategy. Recommendations should address:
    - Missing for-sale product types and/or price points;
    - Best target market audiences to focus on;
    - Key lifestyle proposition and general theming/branding for the projects;
    - Positioning of the communities in the competitive market;
    - Other design and marketing recommendations that may impact project success.

3. Convey the Conclusions and Recommendations

Conduct a meeting with you and your team to review the key conclusions from our research and our recommendations for future product development in Downtown Lawrenceville, which will be provided in a summary package. As merited, identify any changes or edits needed for the final package and undertake those efforts in a timely manner.

Terms, Condition and Schedule

The professional fee for this for-sale residential market and consumer research analysis as outlined above is $20,000, not including expenses. Expenses are estimated to be under $2,000 and will be comprised of third-party data, travel, and any consumer research reimbursables. Additional research and analysis, meetings, and other tasks not outlined above (but approved by client) will be billed on a time and expense basis. We request a 30% retainer prior to, or at the time of, engagement inception. An invoice will be forwarded to you upon execution of this agreement.

We estimate completion of this engagement within 60 days assuming timely distribution of the online survey via local stakeholders.

We appreciate the opportunity to potentially work with you on this and add value to your processes. Should you have any additional needs or clarifications, please do not hesitate to contact us at your convenience. We look forward to hearing from you in the very near future.

Sincerely,

Todd M. Noell, Principal

David S. Laube, Principal

Noell Consulting Group

Accepted and Agreed:

By: ______________________________

Title: ______________________________

Company: ______________________________

Signature: ______________________________

Date: ______________________________

Invoicing

For each billing period, Noell Consulting Group will submit invoices to the Client for professional services and expenses. Amounts invoiced will be in proportion to the services performed during the preceding billing period, adjusting appropriately relative to the initial retainer fees paid. Amounts invoiced for reimbursable expenses, consultants' fees and additional services will be based on amounts incurred and services performed through the invoice date.

Payment should be sent to:

Noell Consulting Group
130 Krog Street
Suite Z
Atlanta, Georgia 30307

Invoices are due and payable upon receipt. Interest, at the highest rate permitted under the applicable law, will accrue on all accounts not paid within thirty (30) days of the invoice receipt date and, in addition, Client shall be responsible for all costs and expenses, reasonable attorney's fees, and expenses incurred by Noell Consulting Group in connection with the collection of the overdue accounts of Client. Noell Consulting Group retains the right to suspend engagement efforts and to withhold delivery of the final report pending receipt of any overdue payments.

Acceptance and Expiration

Acceptance of this proposal-agreement is completed upon receipt of one executed copy of the proposal-agreement and the retainer fee specified (if any). If we are not in receipt of a fully executed copy within thirty (30) days from the date thereof, this proposal-agreement shall be of no further force and effect and shall be deemed withdrawn.

Successors and Assigns

This agreement will inure to the benefit of, and be binding on, the successors and assigns of the Client and Noell Consulting Group. However, neither party shall have the right to transfer or assign this agreement without the express written consent of the other party.

Entire Agreement

This letter agreement contains the entire agreement of the parties. No promises or agreements, oral or written, between the parties not contained in this agreement will be of any force or effect.

Amendment

No amendment to this agreement will be effective unless it is in writing and is signed by both parties.

Use of Documents

It is understood by the Consultant that the findings from this engagement ("Report") are the proprietary property of the Client and that, unless otherwise instructed or authorized by the Client in writing, the Consultant will not make these findings available to any other organization or individual without consent of the Client. It is also understood by the Consultant that the Client will likely present the results of this engagement in various documents, meetings, and reports and thus will likely abstract results from the larger report itself. In doing so, every effort should be made to remain true to the intent of the findings resulting from this engagement, and to note, where applicable, special stipulations or caveats that accompany particular findings.

Client agrees to indemnify Consultant against any losses or claims for damage and liabilities under Federal and State laws that may arise as a result of statements or omissions in public or private offering of securities.

Termination

Either the Consultant or the Client may terminate this Agreement by giving written notice at least three (3) days prior to the date of termination. In the event of such termination, Client shall pay Consultant for services and reimbursable expenses performed or incurred to the termination date.

Limiting Conditions

It is understood by the Client that the Consultant can make no guarantees regarding the recommendations resulting from this engagement. There are numerous factors that can impact the accuracy of these recommendations, many of which are outside of the control of the Consultant, including implementation and execution of development, marketing, design, etc.

Consultant recommendations are based on research and analysis conducted during the time of engagement. Real estate and economic markets are cyclical and highly dynamic and thus, recommendations provided in this engagement may be significantly impacted by changes occurring in the market since the time of study. Further, major shocks and changes to economic and real estate markets, particularly given the fluidity and volatility seen in economic and housing markets today, cannot be fully predicted during the course of study. Economic downturns inevitably occur. Their impacts on the real estate market, their timing, and their depth cannot be accurately predicted. The client, therefore, should stay well attuned to changes occurring in the economic and real estate markets and understand how those changes may impact their project.

Finally, while every effort will be made to secure the best data, information, and knowledge to inform analysis, the Consultant cannot guarantee the accuracy of third party data and information sources.

To protect the Client, and to assure that the Consultant's research results will continue to be accepted as objective and impartial by the business community, it is understood that the Consultant's fee for the undertaking of this engagement is in no way dependent upon the specific conclusions reached or the nature of the advice given by Consultant in its Report to the Client.

Governing Law

The laws of Georgia will govern this agreement.

Haddow & Company
Real Estate Consultants

Haddow & Company
Real Estate Consultants

1360 Peachtree Street, NE | Suite 1000
Atlanta, GA 30309
P 404-577-7222

May 8, 2019

Ms. Lee Merritt
Chairwoman
Lawrenceville Downtown Development Authority
70 S. Clayton Street
Lawrenceville, GA 30046

RE: Real Estate Counseling Services
Downtown Lawrenceville

Dear Lee:

We are pleased to submit a proposal to assist the Lawrenceville DDA in determining the optimal uses for key properties in downtown Lawrenceville. It is our understanding that the City and DDA would like to attract more high-end retail and residential development to the downtown, and that there are particular privately-owned properties that the City/DDA would like to possibly direct redevelopment towards. Our goal is to provide the DDA with an objective assessment of development opportunities in the downtown in order to assist the DDA in becoming more proactive in attracting the appropriate types of development.

Based on our phone conversations, we believe the following questions exist:

1. How does the recent wave of positive announcements impact developers' perception of opportunities in downtown Lawrenceville?

2. Is there demand for higher-end retail development, such as a grocery store, in the downtown? If not, what measures could the DDA/City take to enhance the appeal in the future?

3. Is there demand for condominiums and/or townhomes in the downtown?

4. What properties, if any, should the DDA consider acquiring in order to facilitate redevelopment?

Our scope of work will include the following:

- Conduct a kick-off meeting with DDA and City representatives to fully understand the goals and vision for future downtown redevelopment.

- Evaluate the land that the DDA/City controls, as well as certain properties that these entities are interested in acquiring or encouraging redevelopment.

- Analyze population, economic, demographic, and employment trends shaping Gwinnett County and the City of Lawrenceville.

- Analyze supply-demand conditions in the apartment, condominium, office, and retail markets.

- Research property ownership in the downtown and identify parcels to target from an assemblage/redevelopment standpoint.

- Identify and summarize significant real estate developments recently delivered, under construction, and proposed in the downtown area.

- Compile land sales data to estimate property values for different land uses.

- Interview developers and brokers to solicit their opinions of the selected properties and downtown Lawrenceville.

- Draw preliminary conclusions about the highest and best use of certain target properties, as well as developer candidates, and provide the City/DDA with a recommended implementation strategy.

Our compensation will be based on actual time expended at our normal hourly rates, plus reimbursement of out-of-pocket expenses. These time charges will be billed on a monthly basis and capped at $15,000. We will not exceed this amount without prior authorization. The hourly rates for each member of our firm are listed below:

David Haddow	-	$400
Chris Hall	-	$250
Ladson Haddow	-	$250
Allen English	-	$100

Lee, we look forward to working with you and other City leaders on this important project.

Sincerely,

HADDOW & COMPANY

Ladson Haddow

Ladson H. Haddow
Managing Partner

Accepted By:____

Date:____

Haddow & Company

Real Estate Consultants

Haddow & Company is a real estate consulting firm founded in 1989 to serve the various needs of developers, investors, lending institutions, families, corporations, municipalities and others requiring guidance on real estate related issues. The company has an excellent reputation for solving complex real estate problems and providing valuable, independent advice in a timely manner. Simply put, Haddow & Company provides the objective, critical analysis that is essential to making informed decisions.

Firm Philosophy

The firm's philosophy is to learn the market through people in the market. Primary data collection is a major component of every study, including a strong emphasis on consumer research, personal interviews with key real estate operators, and extensive field investigation. Moreover, each assignment begins with a careful process of defining the problem, identifying the critical issues, and determining the most effective study method. This ensures a focused research effort that responds directly to each client's unique set of needs.

Primary Services

Highest & Best Use Studies
Investment Analysis
Market & Feasibility Analysis
Revitalization Strategies
Disposition Counseling

Selected Clients

Ackerman & Co.
Atlanta Beltline, Inc.
Avanti Properties Group
Cadence Bank
Camden Property Trust
Cousins Properties
City of Sandy Springs
Daniel Corporation
Emory University
Hines Interests
Highwoods Properties
Jamestown Properties
MARTA
Post Properties
Regent Partners
Selig Enterprises
United Community Bank
SunTrust Bank
UBS

Team

David F. Haddow, CRE - Founder

David founded Haddow & Company in 1989. He has represented individuals and institutional clients in real estate investments since 1979, including seven years at Landauer Associates, Inc., where he was Senior Vice President in charge of the real estate consulting practice in the firm's Atlanta office. He has an undergraduate degree from Emory University and master's degrees in city planning and business administration from Georgia Tech and Georgia State University, respectively.

A former mortgage banker and city planner, he serves as a part-time instructor in the College of Design at Georgia Tech. His articles have appeared in numerous real estate journals and periodicals. He is a licensed real estate broker and a member of the prestigious Counselors of Real Estate. Active in civic affairs, David has served on numerous boards and volunteered considerable time to non-profit organizations.

Chris D. Hall, CRE – Managing Partner

Chris joined Haddow & Company in May 2002. He has worked on a wide variety of real estate assignments, ranging from feasibility and highest and best use studies to the marketing and disposition of land and investment properties. Prior to Haddow & Company, he worked as an urban planner for an architectural firm and the City of Nashville, Tennessee.

Chris is a graduate of Kenyon College and earned master's degrees in city planning and real estate from the University of Texas at Austin and Georgia State University, respectively. Chris is a licensed real estate broker in Georgia, as well as a member of the Urban Land Institute and Counselors of Real Estate. He has published articles in the Atlanta Business Chronicle and served as a speaker and panelist at various real estate events.

Ladson H. Haddow – Managing Partner

Ladson joined Haddow & Company in August 2007. He has worked on consulting assignments spanning all types of commercial real estate and has assisted clients on both the disposition and acquisition side of transactions. He is a licensed associate broker in Georgia and is a member of the Atlanta Commercial Board of Realtors.

Ladson received a B.B.A. degree in Economics from the University of Georgia in 2007.

Allen English – Associate

Allen joined Haddow & Company in 2019. He has compiled market research on Atlanta's intown condominium and apartment markets and assisted with various consulting assignments. Prior to joining Haddow & Company, he gained experience in software sales.

Allen is a licensed real estate salesperson in Georgia and received a B.B.A. degree in Management from Kennesaw State University in 2018.

CITIES

Haddow & Company
Real Estate Consultants

The City of Sandy Springs issued a Request for Proposals seeking a master developer for its 14-acre City Center project that was envisioned for a new city hall, performing arts center, housing, and retail space. We were retained to help evaluate the merits of developers' proposals, particularly the economic implications. Selig Enterprises and Carter were selected as the master developer, and Haddow & Company helped the City negotiate the development agreement. The project, known as City Springs, opened in the spring of 2018.

Contact: John McDonough
770.206.1414
jmcdonough@sandyspringsga.gov

Design Workshop was commissioned by the **City of Dothan, Alabama,** to prepare a revitalization plan for the Highway 84 East corridor, which runs from downtown to the city limits. The plan focused on transportation, land use, and economic development. We were part of a multi-disciplinary team, and our role was to provide an analysis of local economic and real estate market conditions in order to identify realistic development opportunities. An emphasis was placed on the downtown area, and the strategies that could be employed to attract new investment.

Contact: Kurt Culbertson (Design Workshop)
970.925.8354
kculbertson@designworkshop.com

The **City of Fayetteville** retained our firm to assist in implementing a revitalization strategy for its downtown. The main goals were to identify acquisition targets for a new city hall and public greenspace, and to determine ways to enliven the square with additional retail and restaurants. The first step involved a thorough analysis of existing conditions, as well as case studies of other downtowns in metro Atlanta where successful revitalization had occurred. The second phase involved working with a design firm to formulate a realistic master plan that was responsive to market conditions. Our firm is currently working with the City to implement the plan.

Contact: Brian Wismer
770.719.4175
bwismer@fayetteville-ga.gov

LAWRENCEVILLE
GEORGIA

AGENDA REPORT
MEETING: DOWNTOWN DEVELOPMENT AUTHORITY SPECIAL CALL
AGENDA CATEGORY: DOWNTOWN DEVELOPMENT BUSINESS

Item:	Market Research Proposals
Department:	Downtown Development Authority
Date of Meeting:	Monday, July 15, 2019
Fiscal Impact:	Up to $20,000
Presented By:	Lee Merritt
Action Requested:	Discussion

Summary: Lee Merritt will present Market Research proposals and studies she has received, and the DDA will need to determine what information they would like to obtain from this study.

Fiscal Impact: Up to $20,000

Attachments/Exhibits:
Noell Proposal DDA SC 7.15.19
Haddow Proposal DDA SC 7.15.19