

August 15, 2023

Mr. Patrick Schloss
Economic Development Executive Director
Community Development Authority of the City of West Allis
7525 West Greenfield Avenue
West Allis, Wisconsin 53227

Re: Financial Deal Review Services - Amended Proceed Order #14

Dear Mr. Schloss:

Pursuant to our recent discussion with the Community Development Authority of the City of West Allis (the "CDA"), SB Friedman Development Advisors (SB Friedman) requests additional budget authorization to continue to assist with the CDA's review and consideration of public/private financing packages for redevelopment projects in West Allis. SB Friedman has exhausted our fee authorization.

SB Friedman requests additional authorization of **\$25,000** to continue to provide ongoing on-call support related to proposed redevelopment projects. The services we provide will be flexible and vary based the nature of the specific project, developer, financing tool and requested financial assistance package. We anticipate providing the following services on an as-needed basis:

- Review and provide feedback on reasonableness of developer assumptions (financing assumptions/ leverage; construction costs per square foot; revenue per unit or square foot; operating expenses; financial returns; cap rates)
- Analyze developer's financial returns on a leveraged and unleveraged basis
- Evaluate the rationale for the financing gap
- Prepare matrix or memo documenting project and market/industry parameters for key deal variables and assumptions for projects
- Run sensitivity analyses regarding financing gaps
- Review and provide feedback and recommendations on deal terms
- Review financial capacity and organizational wherewithal of developer/development entity to undertake proposed development
- Prepare or evaluate third-party property tax and TID projections
- Prepare technical memoranda and/or other documentation regarding analyses
- Participate in meetings and conference calls with CDA and developer

Cost Proposal

In recognition of its variable scope, this engagement is structured as an hourly “time and materials” engagement with flexible, on-call services. Professional fees for these services will be based on the time required at the then-current hourly billing rates of the SB Friedman personnel assigned to the project.

The following Project Hourly Rates apply to this engagement:

Partner/EVP	\$441	Senior Associate	\$220
Partner/SVP	\$320	Associate	\$193
Vice President	\$275	Research Associate	\$176
Senior Project Manager	\$270	Editor	\$120
Project Manager	\$264	Intern/Data Entry/Support	\$113
Associate Project Manager	\$235		

These rates will be in effect until July 1, 2024. After that date, rates are subject to adjustment by up to 5 percent.

Expenses including travel and mileage, tolls, parking, publications, maps, telephone toll charges, photocopies, report reproduction, color reproduction, faxes, messenger and express services, data purchased specifically for this project, use of company-owned or -licensed databases, and other out-of-pocket expenses will be billed as incurred without mark up.

Invoices will be rendered not more frequently than monthly as our work progresses for services and costs incurred. Invoices are payable within 30 days.

If at any point the decision is made to discontinue our services, our fee will be based upon the actual time expended and out-of-pocket costs incurred to that date.

The attached **Limitations of Engagement** apply to this engagement.

Acceptance Procedures

We look forward to the opportunity to continue to assist the Community Development Authority of the City of West Allis. Please return a signed copy of this engagement letter to indicate your acceptance of these terms.

Sincerely,



Fran Lefor Rood, AICP
Partner
(312) 424-4253 | frood@sbfriedman.com

Accepted: _____
Signature Date

Printed Name Title

LIMITATIONS OF ENGAGEMENT

Our deliverables will be based on estimates, assumptions and other information developed from research, knowledge of the industry, and meetings with the CDA and Developers during which we will obtain certain information. The sources of information and bases of the estimates and assumptions will be stated in the deliverables. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our memorandum, and the variations may be material. Our deliverables will contain a statement to that effect.

The terms of this engagement are such that we have no obligation to revise the deliverables to reflect events or conditions which occur subsequent to the date of the deliverable. These events or conditions include, without limitation, economic growth trends, governmental actions, changes in assessment practices, changes in the TID statute or other applicable law, interest rates, and other factors. However, we will be available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

Our deliverables will be intended solely for your information and that of the CDA Board for purposes of evaluating the proposed project's need for financial assistance, and is not a recommendation to issue bonds or other securities. It should not be relied upon by any other person, firm, or corporation or for any other purposes. Neither the deliverable nor its contents, nor any reference to our firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan, or other agreement or document intended for use in obtaining funds from individual investors. Our work products are not intended to constitute advice for the client to issue (or refrain from issuing) specific municipal securities.