



TRACY CROSS & ASSOCIATES, INC.

July 20, 2020

Mr. John F. Stibal
Director of Development
City of West Allis
7525 W. Greenfield Avenue
West Allis, WI 53214

Re: Service Agreement No. 8089-F (Revised)

Dear Mr. Stibal:

This letter will acknowledge the services to be rendered by Tracy Cross & Associates, Inc. (hereinafter referred to as "Cross") on behalf of the *City of West Allis* (hereinafter referred to as "*Client*"). To wit:

I. Services

Cross will provide selected research and consulting services to determine the market potential for residential development throughout the city of West Allis, Milwaukee County, Wisconsin. Specifically, Cross will determine the *highest-and-best* residential uses within the city over the next 10 years, ranging from conventional apartments to various forms of for sale residential, i.e. condominiums, townhomes/rowhomes and single family residences, and senior housing alternatives. Designed with a forward-thinking mindset, while giving full consideration to all existing and planned residential developments/neighborhoods within the city, the objectives of this analysis are highlighted below:

For the ***mainstream residential sector***, Cross will establish the following:

- ☐ Conclusions regarding the depth of the market (demand potential) for market rate rental apartment and for sale development within the subject area through 2030. This evaluation will be based upon economic, demographic, and residential construction trends throughout the four-county Milwaukee-Waukesha-West Allis, WI Metropolitan Statistical Area (MSA), with particular emphasis upon its near west suburban area and the city of West Allis.
- ☐ Conclusions regarding the overall marketability of conventional rental apartments and for sale condominiums, townhomes/rowhomes, single family, etc. to be developed within the subject area in both stand-alone and mixed-use environments. These conclusions will be based upon the depth of the market, demographic and socio-economic characteristics of the area's renter and owner household bases, and the alignment of competitive developments, both existing and planned.
- ☐ Detailed product development guidelines viewed to best meet the needs of area households including, but not limited to, entry-level renters/buyers, move-up families, and more mature, move-down consumers, i.e. empty-nesters. These development guidelines will address specific product forms, unit count potentials, unit size and mix requirements, bedroom/bath ratios, interior features, community amenities, parking requirements etc.
- ☐ Conclusions regarding the absorption potential of all residential idioms at market determined rent levels and price points.
- ☐ Alternative rent/price/absorption scenarios to enable financial modeling and aid in the ultimate positioning of the product in the subject area.

For the **senior housing component**, Cross will establish the following:

- ☐ Conclusions regarding the depth of the market for independent and assisted living senior housing units within the subject area.
- ☐ Conclusions regarding the overall marketability of independent living, assisted living and/or memory care apartment units designated for households aged 75 and older within the subject area. These conclusions will be based upon the depth of the market and the alignment of competitive developments now and into the future.
- ☐ Recommendations for those senior housing forms viewed to best meet the needs of the area's elderly household constituency. These development guidelines will address the specific types of senior housing suitable for development, total unit count potentials, individual unit size and mix requirements, parking, appropriate interior appointments, community amenities and/or levels of community-based services necessary to attain acceptable levels of absorption.
- ☐ Provide a series of benchmark rental rate strategies along with associated absorption forecasts for the recommended senior housing product(s).

For **all housing forms**, Cross will establish the following:

- ☐ Detailed guidelines for the most marketable mix of residential uses to facilitate planning, future marketing efforts, financial modeling, etc.
- ☐ Within the context of the planning guidelines, establish a detailed residential development matrix whereby individual uses are complimentary to one another, while limiting cross-competition and/or potential saturation.

II. **Work Plan and Deliverables**

The work plan for this assignment will involve a series of inter-related research investigations which will be conducted in phases as outlined below:

Phase One: Project Start/Data Collection/Analysis

- ☐ Conduct a "kick-off" meeting or teleconference with Client and key stakeholders to review assignment parameters, pertinent issues, and other points of clarification. In this meeting, Cross will solidify the scope of services, especially as it relates to specific properties and/or developments in need of analysis.
- ☐ Conduct a thorough on-the-ground investigation of the city of West Allis and surrounding areas with a specific focus on the housing market.
- ☐ Analyze secondary employment, demographic and construction data, etc. for the greater Milwaukee region, its near west suburban area and the city of West Allis.

For the mainstream residential portion of the assignment:

- ☐ Determine who are/will be target consumer groups for residential development within the subject area based upon our experience throughout the Midwest and the Milwaukee metropolitan area in particular. Measure the depth of these market segments based upon their propensity to move and their likelihood to rent or purchase new housing within the city of West Allis.



- ☐ Conduct an audit of all relevant residential developments in the local area (and elsewhere throughout the region) which represent sources of competitive influence including both new/newer communities and the existing home market, i.e. resale sector. This audit will address by housing type, model offerings, unit size and mix, bedroom/bath ratios, rent/price/value positioning, occupancy/absorption characteristics, sales trends and other pertinent factors.
- ☐ A review of residential projects in the planning pipeline and/or under construction that may pose some degree of competitive influence on potentials within the subject area.
- ☐ Develop a demand forecast for residential development in the market, focusing upon the city of West Allis and its expected share by product type and rent/price range.

For the senior housing segment of the analysis:

- ☐ Conduct a comprehensive demographic analysis of the defined study area focusing upon its mature population base in terms of age segment, household composition, income characteristics, growth projections and functional capacity.
- ☐ Conduct an audit of all relevant independent living and/or service-enhanced supportive senior developments in order to assess trends in these housing sectors. This audit will address occupancy characteristics, unit size, bedroom/bath mix, entrance fee/service fee/rent structure, community services and amenities, and other pertinent data.
- ☐ A review of senior housing projects in the planning pipeline and/or under construction which may pose some degree of competitive influence.
- ☐ Develop a demand forecast for independent and/or supportive senior housing development in the market, focusing upon the city of West Allis and its anticipated market capture share.

For the overall assignment:

- ☐ Participate in various phone conversations with Client and key stakeholders during the course of the assignment to garner continued input for the assignment.
- ☐ Conduct independent case study analyses (as necessary) of “like” residential development/redevelopment efforts in similar municipalities nationally, and in the Midwest in particular, in order to assess trends, product concepts, performance measure, etc.

Phase Two: Report Submission

- ☐ Cross will prepare and submit a written report fully addressing market conditions, demand potentials, and competitive assessments, and provide conclusions and recommendations regarding the highest-and-best residential uses within the subject area, along with strategic planning initiatives including geographic positioning guidelines. ***This analysis, which will be completed within eight (8) to ten (10) weeks of authorization to proceed and receipt of advance payment as outlined in Section III, will provide all the tools necessary for the Client to make an “informed” business decision regarding the specific residential direction that should be taken within the subject area over the next 10 years.***
- ☐ Following the completion of the report, Cross will participate in a follow-up meeting or teleconference with Client to review the analysis and answer any questions regarding market assessments, conclusions, recommendations and implementation.



III. Fee Structure

Client agrees to pay Cross as compensation for services rendered the following:

Due at Contract Execution	\$ 16,500
Due upon Submission of Written Report	<u>10,000</u>
Total Phases One and Two:	\$ 26,500

Reimbursable expenses, including but not limited to mileage/tolls and the cost of secondary data available only through purchase, will be billed separately at cost, not to exceed \$1,000.

Timing and fee schedule noted are valid for 60 days from date of proposal.

IV. Authority to Act/Payment of Fees and Expenses

The undersigned hereby acknowledges that he/she has authority to accept and enter into an agreement with Cross on behalf of the Client, and further promises and agrees to pay all invoices for fees, costs and expenses when due, including but not limited to all collection costs, attorney's fees and other related costs incurred in enforcing any of Cross' rights hereunder. **All payments are due within ten (10) days of receipt of invoice.**

V. Entire Agreement/Choice of Forum

This letter constitutes the entire agreement between the parties without regard to any statements or representations made prior or subsequent to its execution. No changes, modifications or revisions can or will affect or alter the agreement unless the changes, modifications or revisions are in writing and acknowledged by both parties. The agreement shall be governed by the laws of the State of Illinois, and any legal proceedings relating to the agreement shall take place in the Circuit Court of Cook County, Municipal or Law Division, Rolling Meadows, Illinois.

VI. Approval and Acceptance

If this agreement is acceptable to you, please sign the attached copy and return it **together with the \$16,500 contract deposit** as outlined in Paragraph III above.

The undersigned hereby agrees with the provisions set forth above and authorizes Tracy Cross & Associates, Inc. to proceed.

TRACY CROSS & ASSOCIATES, INC.

CLIENT: CITY OF WEST ALLIS

By: 
Erik A. Doersching

By: _____
John F. Stibal

Date: July 20, 2020

Date: _____

Cc: Mr. Shaun Mueller

