



TRACY CROSS & ASSOCIATES, INC.

September 21, 2021

Mr. Adam Hatfield
City of La Crosse Redevelopment Authority (RDA)
400 La Crosse Street
La Crosse, WI 54601

Re: Service Agreement No. 8332-F

Dear Mr. Hatfield:

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

I. Services

Cross will provide selected research and consulting services to determine the market potential for rental apartment development in La Crosse, La Crosse County, Wisconsin. Specifically focusing on Block F within River Point District, the objectives of this analysis are as follows:

- ☐ To determine the depth of the market (demand) for rental apartment development within the subject property. This evaluation will be based upon current and anticipated economic, demographic, and residential trends throughout the greater La Crosse area, with particular concentration on the immediate environs surrounding the site.
- ☐ To offer conclusions regarding the overall marketability of up to 300 rental apartments to be configured within a subject property. These conclusions will be based upon the depth of the market, demographic and socio-economic characteristics of the area's renter household base, and the alignment of competitive apartment developments, both existing and planned.
- ☐ To forward detailed product development guidelines viewed to best meet the needs of the area's renter constituency, enhance the development's overall market appeal, and attain acceptable levels of absorption (and sustainable occupancy) at market-determined rental rates. These development guidelines will address, but not be limited to, product type, density, building configuration, total unit count potential, unit size and mix requirements, bedroom/bath ratios, appropriate interior appointments, community amenities, value of parking, attainable premiums, etc.
- ☐ To provide a variety of benchmark rental rate strategies along with associated absorption forecasts to enable financial modeling.

II. Work Plan, Deliverables and Timing

Services, which will encompass field work, data collection, and analysis, will be divided into phases:

Phase One Project Start/Data Collection/Analysis:

- ☐ Conduct a "kick-off" teleconference with Client and Client's representatives to confirm assignment parameters and discuss development details and other pertinent factors.

- ☐ Conduct an on-site investigation of the subject property in order to identify factors likely to affect rental apartment demand in the immediate area, e.g., accessibility, aesthetic qualities, adjoining land uses, proximity to shopping, services, employment, etc. This analysis will give full consideration to other uses (potential uses) internal to the River Point District development.
- ☐ Analyze secondary employment and residential building construction data and condense regional analyses into an operating perspective of the local market area.
- ☐ Conduct a comprehensive demographic analysis of the local market area focusing upon its population base in terms of age segment, size, household composition, incomes, etc.
- ☐ Determine who are/will be target consumer groups for future apartment development within the subject property based upon our experience throughout Wisconsin. Measure the depth of these market segments based upon their propensity to move and their likelihood to rent within the subject development.
- ☐ Utilizing Cross' proprietary database, conduct an audit of all rental apartment developments in the defined market area which are viewed to represent either a direct or indirect source of competitive influence. This audit will address unit sizes and mix, rent/value positioning, occupancy/absorption characteristics, and other pertinent factors.
- ☐ Examine projects in the planning pipeline/under construction that may pose some degree of competitive influence upon future apartment development within the subject property.
- ☐ Develop a demand forecast for rental apartment development in the defined market area, focusing upon the subject property and its anticipated share by product type/rent range.
- ☐ As appropriate, conduct case study competitive analyses of "like" development initiatives in other markets to evaluate rent/value positioning, performance levels, etc.

Phase Two Report Submission:

- ☐ Within six (6) to eight (8) weeks of Client's execution of contract and receipt of contract deposit, as outlined in Section III, Cross will provide a written report outlining market assessments and detailed conclusions and recommendations regarding product, rents, absorption, etc. ***This analysis will provide all the tools necessary for the Client to make an "informed" business decision regarding the overall market potential for apartment development within the subject site and the direction that should be taken to be successful.***

III. Fee Structure

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

<i>At Contract Signing</i>	<i>\$7,500</i>
<i>Upon Completion of Final Report</i>	<i><u>\$4,250</u></i>
<i>Total Phases One and Two:</i>	<i>\$11,750</i>

Reimbursable expenses, including but not limited to mileage/tolls and the cost of secondary data available only through purchase, will be billed separately as they occur at cost.

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 thirty (30) 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.

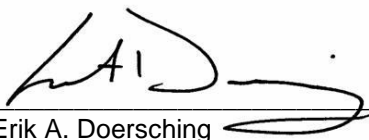
VI. Approval and Acceptance

If this agreement is acceptable to you, please sign the attached copy and return it ***together with the contract deposit of \$7,500*** 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 LA CROSSE REDEVELOPMENT
AUTHORITY OR RDA**

By: _____
Erik A. Doersching

By: _____
Adam Hatfield

Date: September 21, 2021

Date: _____

Cc: Blair Williams