

<p align="center">APPROVAL</p> <p align="center"><i>Slw</i></p>	<p align="center">REQUEST FOR COUNCIL ACTION</p>	<p align="center">MEETING DATE</p> <p align="center">November 4, 2014</p>
<p align="center">REPORTS AND RECOMMENDATIONS</p>	<p align="center">A Resolution Authorizing Certain Officials to Execute an Agreement With GRAEF-USA Inc. and Gruen Gruen + Associates for a Potential Commercial Retail Development Area and a Mixed-Use Business Light Industrial, Commercial, Residential, Nature Conservation and All-Inclusive Playground Public Park Development Area Planning and Engineering Services</p>	<p align="center">ITEM NUMBER</p> <p align="center">III.E.</p>

Annexed hereto is a copy of a proposed Agreement for Planning and Engineering Services with GRAEF-USA Inc. and Gruen Gruen + Associates. The proposed services include the potential feasibility, viable design and physical layout and public works needs for the creation of a tax incremental district for the considered commercial retail development South 76th Street and West Rawson Avenue/West Loomis Road Area; and the creation of a tax incremental district for the considered mixed-use business light industrial, commercial, residential, nature conservation and all-inclusive playground public park development West Loomis Road and West Ryan Road Area. The proposed agreement costs are tax increment financing reimbursable. Services provided by GRAEF-USA Inc. and Gruen Gruen + Associates for the creation of a tax incremental district are to be paid for from contingency fund appropriations and such costs are reimbursable upon the creation and development of the subject district. The proposed cost for the services is \$41,500 for site due diligence report, Phase 1 environmental analysis and testing, market analysis and master planning the proposed commercial retail development area; and \$48,000 for site due diligence report, market analysis and master planning the proposed mixed-use development area. Additionally, the Gruen Gruen + Associates services with regard to market analysis are proposed for both areas. Staff believes that same are of need primarily for the commercial retail area and if that is agreed to by the Common Council, the \$10,000 costs of such studies would be reduced if such services are only provided for one area. For accounting purposes, a budget modification is typically prepared to reassign expenditures authorized from Contingency to itemized expenditure line items; therefore, if the proposed Agreement is approved, staff will prepare a budget modification in the future to address this accounting purpose.

COUNCIL ACTION REQUESTED

A motion to adopt A Resolution Authorizing Certain Officials to Execute an Agreement With Graef-Usa Inc. and Gruen Gruen + Associates for a Potential Commercial Retail Development Area and a Mixed-Use Business Light Industrial, Commercial, Residential, Nature Conservation and All-Inclusive Playground Public Park Development Area Planning and Engineering Services, with costs applicable to the commercial retail development area and the mixed-use business light industrial, commercial, residential, nature conservation and all-inclusive playground public park development area to come from Contingency appropriations, pending establishment of an applicable tax incremental district.



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October 10, 2014

Mayor Steve Olson
City of Franklin
9229 W. Loomis Road
Franklin, WI 53132

SUBJECT: Planning and Engineering Services for Franklin, Wisconsin.

Dear Mr. Mayor,

GRAEF-USA, Inc. (GRAEF) is pleased to provide this proposal to the City of Franklin. This proposal is for professional planning and engineering services related to development planning of the area surrounding 76th Street & Rawson Avenue (Area A) and Loomis Road and Ryan Road (Area G) in Franklin, WI. This proposal is subject to GRAEF's Standard Terms and Conditions, a copy of which is attached and incorporated by reference. An executed copy of this proposal will become our Agreement.

It is our understanding that the project involves summarizing and preparing an area due diligence report, market analysis, master plan alternatives, public involvement and working with the City to develop a strategy for determining development partners. It is our understanding that the City intends to have the following areas developed as noted.

Area A - 76th Street & Rawson Avenue (455 acres)

The development within this area should focus on opportunities for new retail development and redevelopment. With additional retail and with the proximity to The Rock this area has the potential to be the future civic center of Franklin. We believe the study area should be expanded to include The Rock as it is an amenity and attraction for the area.

Area G - Loomis Road and Ryan Road (561 acres)

The development within this area should focus on opportunities for the development of a mixed-use type and should include light industrial, housing, retail, civic and conservation. A Traditional Neighborhood Development concept will be explored.

For this PROJECT, GRAEF proposes to provide the following Basic Services:

Site Due Diligence Report

We will assemble a site due diligence report for both areas that include an executive summary summarizing the development challenges uncovered during the investigation. The report will be assembled so that it can be used in hard copy form and electronically. The following items will be included, some of which can be provided by the City as noted.

- Site – provided by the City
 - Existing Area Land Use Plan
 - Ownership Map
 - Existing Zoning Map
 - ALTA Surveys, Plats, CSM and easement dedications – as available



- Environmental – provided by the City
 - Phase I Reports – if available
 - Wetland & Waterway Boundary
 - Environmental Corridors
 - Floodplain Map
 - Landfill Boundary Map
 - Endangered Species Review – We will submit the request to the DNR.
- Soils – provided by the City
 - Geotechnical Reports – If available
 - Fill Site Information – if available
- Utilities
 - Existing Sanitary Service
 - Existing Water Service
 - Utility Improvements - Review existing utilities for system capacity and connectivity. Prepare a plan showing offsite improvements with an opinion of probable improvement costs if required.
- Stormwater Management
 - Stormwater Analysis - We will summarize the regulatory requirements and provided a plan showing how stormwater would need to be treated within the sub-watersheds and on the development parcels with an initial estimate of the volume of stormwater needing to be stored.
- Transportation
 - Transportation Network – Prepare a plan showing the transportation system with ADT on the arterials.
 - Transportation Access – We will review the existing transportation system and determine potential locations for vehicular access.
- Entitlement
 - Zoning – We will review the applicable ordinances for opportunities for streamlining and encouraging development.
 - Permits & Approvals required and Process - Prepare a report summarizing the permits required, submittal requirements, review time and fees.
- Other Considerations
 - Demographic Information – provided by the City
- Overall Developable Land Analysis
 - We will synthesize the above information into a plan that highlights the potential areas for development and the areas with development challenges.

Phase I Environmental Assessment (for Area A - Fill Site)

1. Conduct a site walk-through to observe the project sites for signs of underground tanks; fill areas; depressions; distressed vegetation; staining; and other visible indicators of potential environmental concerns.

2. Provide a general description of soils, hydrologic and hydrogeologic setting to determine potential paths of contamination to groundwater, if potential for soil and groundwater contamination is present.



3. Review of municipal building permit records or other records for property background, site improvements or installations (i.e. underground tanks), past uses, owners or occupants for the subject site.
4. Review of governmental agency records for hazardous waste activity, permits, and other environmentally related activities or violations. Review will include the following Federal and State lists:
 - a. Emergency Response Notification System (ERNS)
 - b. National Priorities List (NPL)
 - c. Resource Conservation and Recovery Information System (RCRIS)
 - d. Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS)
 - e. State list of Leaking Underground Storage Tanks (LUST)
 - f. State list of Registered Underground Storage Tanks (UST)
 - g. Solid Waste Facility/Landfill Sites (SWF/LS)
 - h. State Hazardous Waste Sites (SHWS)
 - i. USEPA PCB Activity Database (PADS)
5. Review of United States Geologic Survey 7.5-minute quadrangle topographic map for indications of general drainage patterns, and land use.
6. Interviews with persons familiar with site histories, if possible. Such persons might include local government personnel, present owners/operators, or former owners/operators. A site questionnaire will be sent to the current owner of the property.
7. Review of underground tank records held by the Department of Commerce (DCOMM), if available, including records of possible underground tanks on adjacent properties.
8. Review of aerial photographs obtained from the local or regional planning commission, or a state or commercial source to determine historical property usage of both the site and the adjacent properties. Review will include two to five photographs from representative years of the site's history.
8. Review of historical fire insurance maps, if available, for potential contaminant sources such as underground tanks and flammable liquid storage areas for both the subject site and adjacent properties.
9. Review of previously prepared reports and documentation supplied by site owner and/or CLIENT.
10. Preparation of a Phase I Investigation Report summarizing the results of the investigation including photographs depicting the site with areas of potential environmental concern identified. An Electronic copy and two copies of the report will be provided to CLIENT.
11. Review of land title records for environmental liens or activity or land use limitations

Market Analysis

We recommend working with Gruen Gruen + Associates based on the attached proposal. We will work with the City to provide them the data that they are requesting.



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Master Planning

- Prepare the following site development master plans for each area:
 - Concept A – Development plan only utilizing the undeveloped land with only likely parcels being combined
 - Concept B – Development plan only utilizing the undeveloped land with optimal parcels being combined.
- Prepare a development Pro Forma for each of the development scenarios including an opinion of probable off-site construction and public infrastructure costs.
- Attend two meetings to review the master plans and pro formas.
- Revise the plans and development pro formas based on comments.

Public Involvement

We could provide any level of public involvement from very little to very much. Let's discuss.

Economic Development Tool

We will work with the City to develop a customized online tool to showcase the prime development opportunities, similar to the ones we have created in New Berlin and Cottage Grove. We will identify up to 10 opportunities for each of the areas. The following information will be made available.

- Customized City of Franklin Banner with Logo
- Types of properties listed
 - Vacant land
 - Buildings for sale
 - Target properties (showcase properties)
- Type of Data Listed for each site.
 - Address
 - Price
 - Size (acres or square foot)
 - Assessed value
 - Current taxes
 - Tax ID
 - Future land use
 - Zoning
 - ADT
 - Floodplain – Y/N
 - Wetlands – Y/N
 - Waterways – Y/N
 - Envir. Corridor – Y/N
 - Public water – Y/N
 - Public sewer – Y/N
 - Agent
- Link to City and County Land Information
- Aerial Photograph



Development Strategy

- Work with the City to identify potential development partners and prepare a strategy for working with them.
- Organize meetings with potential development partners to determine opportunities for partnerships.
- Work with the City to prepare a written development strategy for each of the areas.

We are prepared to begin work on this project within one week of your notice to proceed and will work with you to develop a mutually agreed upon project schedule.

For this PROJECT, it is our understanding the Client will provide the following services, items and/or information:

- Access to the subject property for field investigation.
- Reports, documents and information as noted above.
- Information & reports regarding the associated TIF Districts, fill sites, landfill.
- Any Traffic Impact Analysis Reports for developments within the areas.

For the Basic Services, the City of Franklin agrees to compensate GRAEF on a time and material basis as estimated below, plus reimbursable expenses. Reimbursable expenses include express mail and delivery charges, endangered resource review application, plan reproduction, permits and mileage. Reimbursable expenses are estimated at \$1,500. The additional cost for Gruen Gruen + Associates is an additional \$10,000.

Area A - 76th Street & Rawson Avenue

Site Due Diligence Report	\$15,000 - \$35,000
Phase I Environmental Analysis & Testing	\$3,500
Market Analysis	\$3,000
Master Planning	\$30,000 - \$60,000
Public Involvement	\$0 - \$15,000
Economic Development Tool	\$6,500
Development Strategy	\$5,000
Total:	\$63,000 - \$128,000

Area G - Loomis Road and Ryan Road

Site Due Diligence Report	\$25,000 - \$45,000
Market Analysis	\$3,000
Master Planning	\$45,000 - \$75,000
Public Involvement	\$0 - \$15,000
Economic Development Tool	included above
Development Strategy	\$5,000
Total:	\$78,000 - \$143,000

Our design fees and reimbursable expenses will be billed on a monthly basis as work is completed.



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For this PROJECT, GRAEF can provide the following Additional Services for Additional Compensation as detailed below:

- Other environmental investigation services: Phase II Environmental Site Assessments and Asbestos and Hazardous Material Investigations.
- A subsurface investigation can be completed to evaluate the potential presence of fill materials or hazardous materials. The cost and scope would depend on the extent of the investigation.
- Review of WDNR files for adjacent sites can be completed on a time and materials basis.
- Development of detailed engineering drawings and specifications, topographic survey, utility, grading, paving plans, construction staking, inspection, contract administration, etc.

To accept this proposal, please sign and an enclosed copy and return one to us. Upon receipt of an executed copy, GRAEF will commence work on the Project.

Thank you for this opportunity and we look forward to working with you on this project. Should you have any questions regarding this proposal feel free to call us at 414.259.1500.

Sincerely,

GRAEF-USA Inc.

Pat Kressin, PLA, LEED AP
Mixed Use Development Market Team Leader
Principal

Accepted by: City of Franklin

(Signature)

(Name Printed)

Michael N. Paulos, P.E., C.D.T., LEED AP
Municipal Market Team Leader
Principal

(Title)

Date: _____

PJK:pjk

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GRAEF-USA Inc.'s TERMS AND CONDITIONS

These Terms and Conditions are material terms of the Professional Services Agreement proposed on October 10, 2014 (Agreement) by and between Graef-USA Inc. (GRAEF) and the City of Franklin (Client):

Standard of Care: GRAEF shall exercise ordinary professional care in performing all services under this Agreement, without warranty or guarantee, expressed or implied. Persons providing such services under this Agreement shall have such active certifications, licenses and permissions as may be required by law.

Client Responsibilities: Client shall at all times procure and maintain financing adequate to timely pay for all costs of the PROJECT as incurred; shall timely furnish and provide those services, items and/or information defined in Agreement, as amended, and shall reasonably communicate with and reasonably cooperate with GRAEF in its performance of this Agreement. GRAEF shall be entitled to rely on the accuracy and completeness of any services, items and/or information furnished by Client. GRAEF shall timely furnish and provide those services, items and/or information defined in Agreement, as amended, and shall reasonably communicate with and reasonably cooperate with Client in its performance of this Agreement. Client shall be entitled to rely on the accuracy and completeness of any services, items and/or information furnished by GRAEF. These terms are of the essence. To the fullest extent permitted by law, GRAEF shall indemnify and hold harmless Client, Client's officers, directors, partners, and employees from and against costs, losses, and damages (including but not limited to reasonable fees and charges of engineers, architects, attorneys, and other professionals, and reasonable court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of GRAEF or GRAEF'S officers, directors, partners, employees, and consultants in the performance of GRAEF'S services under this Agreement. To the fullest extent permitted by law, Client shall indemnify and hold harmless GRAEF, GRAEF'S officers, directors, partners, employees, and consultants from and against costs, losses, and damages (including but not limited to reasonable fees and charges of engineers, architects, attorneys, and other professionals, and reasonable court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of Client or Client's officers, directors, partners, employees, and consultants with respect to this Agreement. To the fullest extent permitted by law, GRAEF'S total liability to Client and anyone claiming by, through, or under Client for any injuries, losses, damages and expenses caused in part by the negligence of GRAEF and in part by the negligence of Client or any other negligent entity or individual, shall not exceed the percentage share that GRAEF'S negligence bears to the total negligence of Client, GRAEF, and all other negligent entities and individuals. In addition to the indemnity provided above, and to the fullest extent permitted by law, Client shall indemnify and hold harmless GRAEF and GRAEF'S officers, directors, partners, employees, and consultants from and against injuries, losses, damages and expenses (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other disputes resolution costs) caused by, arising out of, or resulting from an unexpected Hazardous Environmental Condition, provided that (i) any such injuries, losses, damages and expenses is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom, and (ii) nothing in this Paragraph shall obligate Client to indemnify any individual or entity from and against the consequences of that individual or entity's own negligence or willful misconduct.

Insurance: GRAEF shall, during the life of the Agreement, maintain insurance coverage with an authorized insurance carrier at least equal to the minimum limits set forth below:

A.	Limit of General/Commercial Liability	\$2,000,000
B.	Automobile Liability: Bodily Injury/Property Damage	\$1,000,000
C.	Excess Liability for General Commercial or Automobile Liability	\$5,000,000
D.	Worker's Compensation and Employers' Liability	\$500,000
E.	Professional Liability	\$2,000,000

Upon the execution of this Agreement, GRAEF shall supply Client with a suitable statement certifying said protection and defining the terms of the policy issued, which shall specify that such protection shall not be cancelled without thirty (30) calendar days prior notice to Client, and naming Client as an additional insured for General Liability.



GRAEF-USA, Inc.'s TERMS AND CONDITIONS (continued)

Additional Services: CLIENT may, in writing, request changes in the Basic Services required to be performed by GRAEF and require a specification of incremental or decremental costs prior to change order agreement under this AGREEMENT. Upon acceptance of the request of such changes, GRAEF shall submit a "Change Order Request Form" to Client for authorization and notice to proceed signature and return to GRAEF. Should any such actual changes be made, an equitable adjustment will be made to compensate GRAEF or reduce the fixed price, for any incremental or decremental labor or direct costs, respectively. Any claim by GRAEF for adjustments hereunder must be made to Client in writing no later than forty-five (45) days after receipt by GRAEF of notice of such changes from Client.

Invoicing & Payment: GRAEF may issue invoices for services rendered and expenses incurred at such times and with such frequency as GRAEF deems necessary or appropriate in GRAEF's discretion. All invoices are due and payable upon receipt and shall be considered past due if not paid within thirty (30) calendar days of the due date. **Prompt and full payment of all periodic invoices or other billings issued by GRAEF pursuant to this Agreement is of the essence of this Agreement.** In the event that Client fails to promptly and fully pay any invoice as and when due, then, and in addition to any other remedies allowed by law, GRAEF, may, in its sole discretion, suspend performance of all services under this Agreement upon seven (7) calendar days' written notice to Client, and immediately invoice Client for all unbilled work-in-progress rendered and other expenses incurred. Upon GRAEF's receipt of full payment, in good funds and without offset, of all sums invoiced in connection with any such declaration of suspension, GRAEF shall resume services, **provided that** the time schedule and compensation under this Agreement shall be equitably adjusted in a manner acceptable to GRAEF to compensate GRAEF for the period of suspension plus any other reasonable and necessary time and expenses GRAEF suffers or incurs to resume services. No failure by GRAEF to exercise its right to suspend work and accelerate sums due shall in any way waive or abridge Client's obligations to GRAEF or GRAEF's rights to later suspend work and accelerate terms. Client agrees GRAEF shall incur no liability whatsoever to Client, or to any other person, for any loss, cost or expense arising from any such suspension by GRAEF, either directly or indirectly. In addition, simple interest shall accrue at the lower of 1.5% per month (18% per annum), or the maximum interest rate allowable by law, on any invoiced amounts remaining unpaid for more than 60 days from the date of the invoice. Payments made shall be allocated as follows: (1) first to unpaid collection costs; (2) second to unpaid accrued interest; and (3) last to unpaid principal of the oldest invoice.

Latent Conditions: Client acknowledges that subsurface or latent physical conditions at the site that differ materially from those indicated in the project documents, or unknown or unusual conditions that materially differ from those ordinarily encountered may exist. If such latent conditions require a change in the design or the construction phase services, GRAEF shall be entitled to a reasonable extension of time to evaluate such change(s) and their impact on the project and to prepare such additional design documents as may be necessary to address or respond to such latent conditions. Client shall pay GRAEF for all services rendered and reimbursable expenses incurred by GRAEF and its subconsultant(s), if any, to address, respond to or repair such latent conditions. Such services by GRAEF or its subconsultant(s) shall constitute Additional Services pursuant to the terms set forth thereunder.

Instruments of Service: All original documents prepared for Client by GRAEF or GRAEF's independent professional associate(s) and subconsultant(s) pursuant to this Agreement (including calculations, computer files, drawings, specifications, or reports) are Instruments of Professional Service in respect of this Agreement. GRAEF shall retain an ownership and property interest therein whether or not the services that are the subject of this Agreement are completed. Unless otherwise confirmed by written Addenda to this Agreement, signed by duly authorized representatives of both Client and GRAEF, no Instrument of Professional Service in respect of this Agreement constitutes, or is intended to document or depict any "as-built" conditions of the completed Work. Client may make and retain copies for information and reference in connection with the use and occupancy of the completed project by Client and others; however, such documents are not intended or represented to be suitable for reuse by Client or others on extensions of the project, or otherwise. Any reuse without GRAEF's written consent shall be at Client's sole risk and responsibility, and without any liability to GRAEF, or to GRAEF's independent professional associate(s) and subconsultant(s). Further, Client shall indemnify, defend and hold GRAEF and GRAEF's independent professional associate(s) and subconsultant(s), fully harmless from all liability or loss, cost or expense (including attorney's fees and other claims expenses) in any way arising from or in connection with such unauthorized reuse.



GRAEF-USA, Inc.'s TERMS AND CONDITIONS (continued)

Contractor Submittals: The scope of any review or other action taken by GRAEF or its subconsultant(s) in respect of any contractor submittal, such as shop drawings, shall be for the limited purpose of determining if the submission generally conforms with the overall intent of the design of the work that is the subject of this Agreement, but not for purposes of determining accuracy, completeness or other details such as dimensioning or quantities, or for substantiating instructions or performance of equipment or systems. GRAEF shall not be liable or responsible for any error, omission, defect or deficiency in any contractor submittal.

Pricing Estimates: Neither GRAEF nor Client has any control over the costs of labor, materials or equipment, over contractors' methods of determining bid prices, or over competitive bidding, market or negotiation conditions. Accordingly, GRAEF cannot and does not warrant or represent that bids or negotiated prices will not vary from any projected or established budgetary constraints.

Construction Observation: Unless expressly stated in this Agreement, GRAEF shall have no responsibility for Construction Observation. If Construction Observation services are performed, GRAEF's visits to the construction site shall be for the purpose of becoming generally familiar with the progress and quality of the construction, and to determine if the construction is being performed in general accordance with the plans and specifications. GRAEF shall have no obligation to "inspect" the work of any contractor or subcontractor and shall have no control or right of control over and shall not be responsible for any construction means, methods, techniques, sequences, equipment or procedures (including, but not limited to, any erection procedures, temporary bracing or temporary conditions), or for safety precautions and programs in connection with the construction. Also, GRAEF shall have no obligation for any defects or deficiencies or other acts or omissions of any contractor(s) or subcontractor(s) or material supplier(s), or for the failure of any of them to carry out the construction in accordance with the contract documents, including the plans and specifications. GRAEF is not authorized to stop the construction or to take any other action relating to jobsite safety, which are solely the contractor's rights and responsibilities.

Dispute Resolution and Governing Law: This Agreement shall be construed under and governed by the laws of the State of Wisconsin. The venue for any actions arising under this Agreement shall be the Circuit Court for Milwaukee County. The prevailing party shall be awarded its actual costs of any such litigation, including reasonable attorney fees.

No Assignment: This Agreement is not subject to assignment, transfer or hypothecation without the written consent of both parties expressly acknowledging such assignment, transfer or hypothecation.

Severance of Clauses: In the event that any term, provision or condition of this Agreement is void or otherwise unenforceable under the law governing this Agreement, then such terms shall be stricken and the balance of this Agreement shall be interpreted and enforced as if such stricken terms never existed.

Integrated Agreement: The parties' final and entire agreement is expressed in the attached proposal letter and these Terms and Conditions. All prior oral agreements or discussions, proposals and/or negotiations between the parties are merged into and superceded by this Agreement. No term of the parties' Agreement may be orally modified, amended or superceded.

Termination: This Agreement may be terminated by Client, for its convenience, for any or no reason, upon written notice to GRAEF. This Agreement may be terminated by GRAEF upon thirty (30) days written notice. Upon such termination by Client, GRAEF shall be entitled to payment of such amount as shall fairly compensate GRAEF for all work approved up to the date of termination, except that no amount shall be payable for any losses of revenue or profit from any source outside the scope of this Agreement, including but not limited to, other actual or potential agreements for services with other parties. In the event that this Agreement is terminated for any reason, GRAEF shall deliver to Client all data, reports, summaries, correspondence, and other written, printed, or tabulated material pertaining in any way to Basic Services that GRAEF may have accumulated. Such material is to be delivered to Client whether in completed form or in process. Client shall hold GRAEF harmless for any work that is incomplete due to early termination. The rights and remedies of Client and GRAEF under this section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other article of this Agreement.

Records Retention: GRAEF shall maintain all records pertaining to this Agreement during the term of this Agreement and for a period of 3 years following its completion. Such records shall be made available by GRAEF to Client for inspection and copying upon request.

October 8, 2014

Mr. Larry Witzling
President
GRAEF
125 S. 84th Street
Suite 401
Milwaukee, Wisconsin 53214

Dear Larry:

Gruen Gruen + Associates (“GG+A”) is pleased to submit this proposal to assist GRAEF with the evaluation of the land use development options for two sites in the City of Franklin. One site is located east of Loomis Road and south of Rawson Road with retail and office uses contemplated for the site. The second site of 164 acres is located at Loomis and Ryan Roads with industrial and multi-family uses contemplated for the site.

We understand that the City of Franklin is concerned about retail sales leakage. To understand the context within which leakage occurs, it is necessary to define relevant trade area(s) for the type of retail for which demand may exist. Some data heavy consultants (i.e., purchasers of credit card data and psychographic data) emphasize retailers’ attraction and provide a “gap” analysis of retail sales leakage. But what is often missing from these kinds of heavily quantitative reports is the identification of local shopping patterns and consumer behavior and relevant (and sometimes overlapping trade areas) that may affect the demand for retail in an area. Developers, brokers, current shopping center owners, and area land owners who are the key to retail attraction benefit most from marketing to retailers. This is why it is important to talk and ask the right questions of these kinds of groups to identify local shopping patterns and identify relevant (and possibly overlapping) retail trade areas to determine if demand for additional retail space exists because of an unmet need give competitive supply conditions or if demand for new or additional retail space will have to be met through a shift of demand from one retail location to another.

The following summarizes the work we propose to work with GRAEF to complete.

SCOPE OF WORK

1. Kick-off Meeting to Discuss Hypothesize Use Options and Tour the Sites

We suggest beginning by arranging to tour the two sites with GRAEF or City representatives and meeting to identify what the factors or reasons why the contemplated uses might appeal to businesses or consumers and what disadvantages or constraints would be associated with each location.



GRUEN GRUEN + ASSOCIATES
1121 LAKE COOK RD.
SUITE A
DEERFIELD, IL 60015

TEL (847) 317-0634
FAX (847) 317-0643
MIDWEST@GGASSOC.COM

2. Conduct Interviews Real Estate Brokers, Developers, and Others Who May Be Knowledgeable to Identifies Opportunities and Constraints of Each Location

We will conduct interviews with real estate brokers, developers, and other knowledgeable individuals to obtain information and insights on the market areas from which consumers or users will be attracted, the supply alternatives with which development of uses at the two sites will compete, and the advantages and disadvantages of the two sites for the potential uses.

3. Review Competing Supply Alternatives and Analyze Available Real Estate Market Data and Other Secondary Demographic and Employment Data

We will supplement the interviews with a review of the primary supply competition and analysis of available relevant real estate market and secondary data. Given the limited budget to analyze potential uses for two sites, we would ask that GRAEF take responsibility for collecting information on the supply of retail, industrial, and office space in the relevant market area. At the end of this proposal, three tables are provided as an example of how the supply information could be collected.

4. Prepare Report

We will prepare a report summarizing the work completed principal findings, conclusions and recommendations including what types of building space and the scale of development that can be supported at each site.

STAFF RESPONSIBILITY

GG+A specializes in urban and regional economic analysis, market analysis and demand forecasting, marketing research, and impact analysis. Aaron N. Gruen, Principal, will be in day-to-day charge of this project for GG+A. Working closely with Aaron will be Debra Jeans, Principal and Andrew Ratchford, Senior Analyst. We will look to you for general direction and policy decisions on behalf of GRAEF. We will maintain close liaison with you or someone you designate as our work proceeds.

COSTS AND DURATION

Our charges for professional services are based on the actual time devoted to your project by our personnel billed at standard rates. The standard 2014 billing rates for the personnel assigned to this initial project are as follows:



<u>Staff Member</u>	<u>Standard Hourly Rate</u>
Aaron N. Gruen, Esq., Principal	\$240
Debra L. Jeans, Principal	\$240
Andrew Ratchford, Senior Analyst	\$140

Expenses such as for travel, communication, and report reproduction will be invoiced to you at their cost to us. Invoices will be submitted on a monthly basis and are payable upon receipt. We propose that GRAEF set aside a budget not to exceed \$10,000 without prior written approval.

We are prepared to start work immediately after receipt of authorization to proceed and will exercise reasonable efforts to complete the work by November 30, 2014.

GENERAL PROVISIONS

Our agreement may be terminated on fifteen (15) days' written notice by either party or such lesser time as we may find necessary to conclude the work currently underway and summarize our findings to you.

In the event of litigation to enforce this agreement, Illinois law will apply and venue and jurisdiction will be in the appropriate Cook County Court. The prevailing party in any litigation or arbitration between us will be entitled to reasonable attorneys' fees and costs.

LIABILITY FOR COSTS AND DAMAGES

Gruen Gruen + Associates shall not be liable for any costs or damages resulting from the use of any information, data projections, analyses, recommendations, methods, or any other material resulting from our work in any amount that exceeds \$25,000, or the fees and costs actually paid pursuant to this engagement, whichever is less. Nor shall Gruen Gruen + Associates be liable for costs or damages to any project due to judicial or administrative action, whether or not such action is based on the form or content of our report. Any services required by any party in any litigation on or related to this report shall be paid for by the party requesting such services at current consulting rates.



Mr. Larry Witzling
October 8, 2014

ACCEPTANCE

We look forward to working with you on this project and will devote our best efforts to accomplishing the work outlined above.

Very truly yours,

Gruen Gruen + Associates LLC
An Illinois Limited Liability Corporation

Aaron N. Gruen

Aaron N. Gruen, Principal

ACCEPTANCE
GRAEF

By _____
Title _____
Date _____



Mr. Larry Witzling
October 8, 2014

TABLE 1

Inventory of Existing Office Space in Market Area

Address	Inventory # Square Feet	Available # Square Feet	Annual Rental Rate \$ Per Sq. Foot	Year Built

TABLE 2

Inventory of Existing Industrial Space in Market Area

Address	Inventory # Square Feet	Available # Square Feet	Annual Rental Rate \$ Per Sq. Foot	Year Built



TABLE 3

Existing Supply of Shopping Centers and Freestanding Retail Space Within Primary Trade Area

ID	Name	City	Type of Center <i>Year Built/Renovated</i>	Gross Leasable Area # Square Feet	Available Space # Square Feet	Occupancy Rate %	Average Asking Rent ¹ \$ Per Sq. Ft.	Anchors
A								
B								
C								
D								
E								
F								
G								
H								
I								
J								

¹ Asking monthly rents.

Sources:



GRUEN GRUEN + ASSOCIATES
 1121 LAKE COOK RD.
 SUITE A
 DEERFIELD, IL 60015

TEL (847) 317-0634
 FAX (847) 317-0643
 MIDWEST@GGASSOC.COM

STATE OF WISCONSIN

CITY OF FRANKLIN

MILWAUKEE COUNTY

RESOLUTION NO. 2014-_____

A RESOLUTION AUTHORIZING CERTAIN OFFICIALS TO EXECUTE AN AGREEMENT WITH GRAEF-USA INC. AND GRUEN GRUEN + ASSOCIATES FOR A POTENTIAL COMMERCIAL RETAIL DEVELOPMENT AREA AND A MIXED-USE BUSINESS LIGHT INDUSTRIAL, COMMERCIAL, RESIDENTIAL, NATURE CONSERVATION AND ALL-INCLUSIVE PLAYGROUND PUBLIC PARK DEVELOPMENT AREA PLANNING AND ENGINEERING SERVICES

WHEREAS, the Common Council having considered potential new development areas in the City, including a commercial retail development area and a mixed-use development area, and the potential benefits to such new development creation by the utilization of tax incremental financing to assist in the developments; and

WHEREAS, GRAEF-USA Inc. is a professional engineering firm respected for its expert services with regard to commercial retail developments and municipal engineering services and GRAEF-USA Inc. has proposed to provide such necessary services, with the assistance of Gruen Gruen + Associates, with regard to the potential new commercial retail and mixed-use development areas considered by the Common Council; and

WHEREAS, the Common Council upon the recommendation of City staff having reviewed such proposed agreement for professional planning and engineering services and having found same to be reasonable.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Common Council of the City of Franklin, Wisconsin, that the Agreement for Planning and Engineering Services with GRAEF-USA Inc. and Gruen Gruen + Associates, in the form and content as annexed hereto, be and the same is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor, City Clerk and Director of Finance and Treasurer be and the same are hereby authorized to execute and deliver such agreement.

Introduced at a regular meeting of the Common Council of the City of Franklin this _____ day of _____, 2014.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this _____ day of _____, 2014.

APPROVED:

Stephen R. Olson, Mayor

ATTEST:

Sandra L. Wesolowski, City Clerk
AYES _____ NOES _____ ABSENT _____

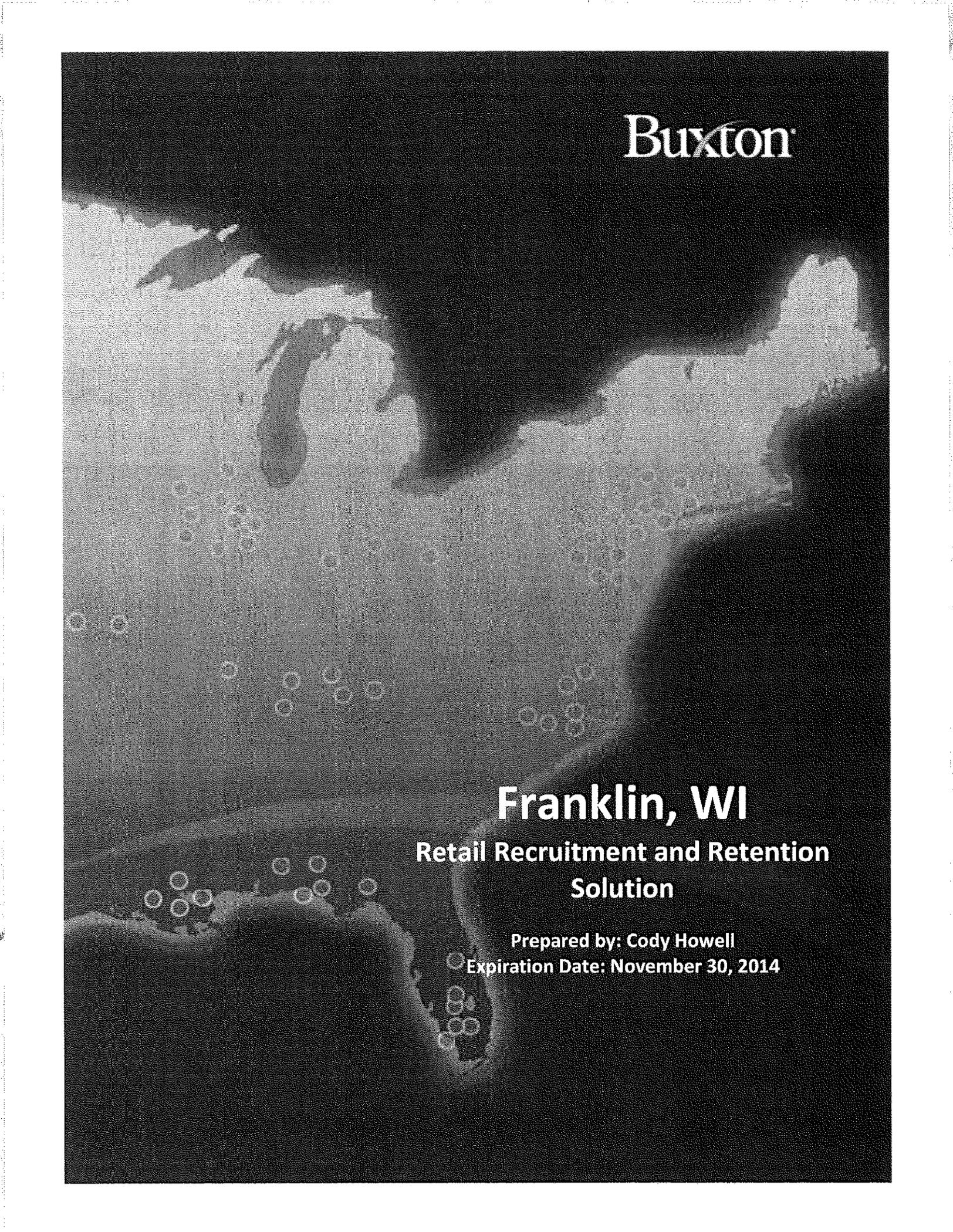
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<p style="text-align: center;">APPROVAL</p> <p style="text-align: center;"><i>Slw</i></p>	<p style="text-align: center;">REQUEST FOR COUNCIL ACTION</p>	<p style="text-align: center;">MEETING DATE</p> <p style="text-align: center;">November 4, 2014</p>
<p style="text-align: center;">REPORTS AND RECOMMENDATIONS</p>	<p style="text-align: center;">A Resolution Authorizing Certain Officials To Execute An Agreement With Buxton Company To Provide Community Retail Economic Development Needs And Satisfaction Study, Recruiting And Retention Professional Consulting Services</p>	<p style="text-align: center;">ITEM NUMBER</p> <p style="text-align: center;">III.F.</p>

Attached is a copy of a scope of services proposal submitted by Buxton dated October 29, 2014, together with a draft resolution approving an agreement for such services. At its August 5, 2014 meeting, the Common Council directed staff to contact Buxton Company for further information with regard to mutual interests relative to economic development. Also attached are materials from Buxton discussed at an August 21, 2014 Special meeting of the Economic Development Commission and the meeting minutes. At its August 21, 2014 meeting, the Economic Development Commission took the following action with respect to its review of the publicized report from Buxton concerning retail leakage in the City: Motion made (Kaniewski) and seconded (Kent) to pass on to Common Council support of the Council's further research and investigation of the issues raised by the Buxton report. Motion carried: 4 Ayes, 0 Noes. At its October 27, 2014 meeting, the Economic Development Commission took the following action as a follow up to its August 21 motion: Motion made (Haskins) and seconded (Soto) to recommend to the Common Council at their November 3, 2014 meeting that they strongly consider moving forward with Buxton to guide the City and the Economic Development Commission with business recruitment and retention efforts which would allow a jumpstart to assist any economic development employee under consideration. Motion carried: 4 Ayes, 0 Noes. Funding for the proposed agreement is not currently allocated; costs would be paid from the Restricted Contingency portion of the Contingency appropriation. If the services provided assist the tax incremental district planning, the costs would be tax incremental funding reimbursable. For accounting purposes, a budget modification is typically prepared to reassign expenditures authorized from Contingency to itemized expenditure line items; therefore, if the proposed Agreement is approved, staff will prepare a budget modification in the future to address this accounting purpose.

COUNCIL ACTION REQUESTED

A motion to adopt A Resolution Authorizing Certain Officials To Execute An Agreement With Buxton Company To Provide Community Retail Economic Development Needs And Satisfaction Study, Recruiting And Retention Professional Consulting Services, with costs to come from the "Restricted Contingency" portion of the Contingency appropriation, pending establishment of an applicable tax incremental district for which such services may be provided or otherwise as may be determined by the Common Council.



Buxton

Franklin, WI

Retail Recruitment and Retention Solution

Prepared by: Cody Howell

Expiration Date: November 30, 2014



BUXTON IS YOUR
**COMPETITIVE
ADVANTAGE**

OUR VALUE PROPOSITION

Since our founding in 1994, Buxton has been a leading force in retail site and development. We are recognized for creating solutions that provide results. Buxton began as a service to help retailers make informed site selection decisions by understanding their customers and precisely determining their markets and soon realized that the company's expertise in retail site and market analysis could also be leveraged to benefit communities desiring retail expansion.

More than simply providing data, Buxton supplies custom marketing materials and strategies targeting the unique site requirements of retailers, developers and commercial real estate brokers. Buxton clients achieve outstanding success using our tools for retail identification, selection and recruitment. And our clients benefit from our unique understanding of retail site selection from the retailer's point of view.

- **Grow Your Community.** Create new, permanent jobs that will satisfy your citizen's desire to shop at home; retain dollars currently spent outside of your community and maximize revenue growth to fund city services.
- **Leverage Buxton's Retail Industry Expertise.** Establish credibility with decision makers by providing factual evidence to support your site and gain a competitive position by leveraging our experience:
 - 3000+ retail, restaurant, and healthcare clients
 - 650+ public sector clients nationwide
 - 35+ million square feet of retail space
 - 500+ cumulative years of retail management and economic development experience
- **Access Your Buxton Solution with Ease.** Utilize your best-in-class retail recruitment solution via SCOUT, with the touch of a button from any mobile device. Get the insights and answers to your retail recruitment and site analysis questions and have the big picture in the palm of your hand.
- **Develop a Long-Term Partnership.** You will receive personal guidance and ongoing insight into key industry topics.

SECTION 1: SCOPE OF SERVICES

Buxton is pleased to present this proposal to Franklin, WI. The purpose of this proposal is to outline and review your community development objectives and how Buxton's solutions will enhance your ability to effectively meet those objectives.

Franklin, WI's Objectives

1. Recruit new retailers and restaurants
2. Retain existing retailers and restaurant
3. Understand current retail and restaurant economic condition

Retail Recruitment and Retention Solution: Your Community Profile

Our solution is a total marketing strategy that enables community leaders to understand the consumer profile of their residents and to identify specific retailers and restaurants who seek a market with household purchasing habits just like yours. This solution provides you with the ability to actively pursue identified retailers, making a compelling case for their expansion to Franklin, WI utilizing custom marketing packages that Buxton will create for you. You will have access to the same analytical information and insights retailers depend on today to make site selection decisions providing you with instant credibility and the ability to differentiate your community.

Step 1 - Research Your Community

Buxton uses over 250 consumer and business databases that are updated regularly and compare your potential sites to the universe of all competing sites operating in the U.S. We define your current retail situation and those in any neighboring communities that impact your retail environment.

Step 2 – Define and Evaluate Your Trade Area

Customers shop by convenience, measuring distance based on time, not mileage. We will conduct a custom drive-time analysis to determine your trade area using our proprietary methodology and knowledge of individual retail client's actual trade areas. Your drive-time trade area will be provided to you as a map that accurately depicts your consumer shopping patterns.

Step 3 – Profile Your Trade Area's Residential Customers

Your community profile will analyze all the households in your drive-time trade area. Based on more than 7,500 categories of lifestyles, purchase behaviors and media reading and viewing habits (psychographics), the households in your trade area are assessed to gain an understanding of the types of retailers that would be attracted to your site.

Step 4 – We Match Retailers and Restaurants to Market Potential

Buxton will match the consumer profile of your community's trade area against the customer profiles of 5,000+ retailers in our proprietary database. We will identify the similarity between the two profiles analyzed using Buxton's proprietary retail matching algorithm to determine if your site presents an attractive opportunity for each retailer. We then qualify the list of matched results to verify that a retailer is currently operating or expanding, that they operate in similar sites and that your site affords adequate buffer from competition and cannibalization to be realistically considered.

Step 5 – We Create Marketing Packages

Buxton will assemble individualized marketing packages for up to twenty (20) targeted retailers and will notify each retailer's key real estate decision maker, by letter that they have been qualified by Buxton as a potential viable fit for your site and should expect to be contacted by a representative of the city. While Buxton has developed a best-in-class reputation in the retail industry, we are unbiased in our approach to recruit the best retailers to your city. Buxton will assist in identifying your best contact for each retailer and a designated account manager will be assigned to you to answer any questions you may have during the retail recruitment process.

Your marketing packages will be delivered to you in SCOUT and include:

1. Map of the retail site and trade area
2. Map of retailer's potential customers
3. Retailer match report that compares the site's trade area characteristics and consumer profile with the retailer's sites in similar trade areas

Solution Deliverables:

- SCOUT Touch Access
- Drive Time Trade Area Maps
- Retail Site Assessment
- Retail Match List (specific retailers that match your trade area's consumer profile)
- Retailer Specific Marketing Packages (for up to twenty (20) retailers)
- Mobile tablet device at completion pre-loaded with all findings

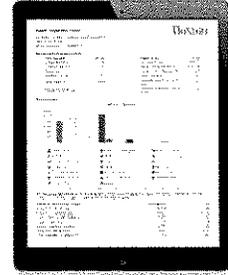
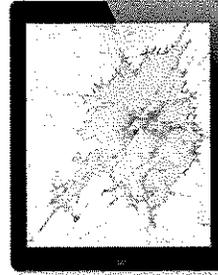
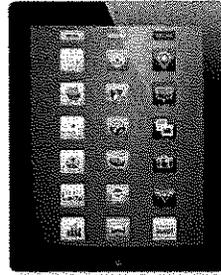
Multi Year Deliverables: Year 2 & 3 of this agreement will include a Retail Recruitment model refresh, retail marketing packages, and full SCOUT and SCOUT Touch.

Access and Use Your Retail Recruitment Solution via SCOUT

Buxton's Retail Recruitment solution will allow you to actively recruit retailers to your community and support existing businesses with the push of a button in SCOUT Touch, providing you with crucial information about your community, your trade areas, your residents, and much more. SCOUT is a web-based platform which is accessible on any Windows or iOS enabled device with an internet connection and designed to give decision-makers in your community access to the data and solutions that will assist them in making better business decisions. The Retail Recruitment solution includes one (1) mobile tablet device which will be provided at completion and will be pre-loaded with all key findings. This mobile tablet device, possession of Franklin, WI, is enabled with four (4) SCOUT Users with the ability to *run demographic and trade area profile reports*, and view maps, and other data elements.

Identifying and quantifying the key variables which impact your community, you will acquire insights from these findings that will provide you with a strong foundation from which to understand retail recruitment and business retention efforts. In Buxton's SCOUT Touch you will be able to:

- Identify Retail Matches
- Run Variable Reports
- View City Limit Maps
- Run Healthcare Reports
- Run Demographic & Consumer Propensity Reports
- See Aerial View
- View Physician Intelligence
- Run Comparable Reports
- Run Retail Leakage/Surplus Reports



ANSWERS AT YOUR FINGERTIPS. ANYTIME. ANYWHERE.

Next Page: Fees and Timing

SECTION 2: FEES & TIMING

ANNUAL FEE	SOLUTION TIMELINE
<p style="text-align: center;">\$50,000 (three (3) year term)</p>	<ul style="list-style-type: none"> Your SCOUT access will be enabled within ten (10) business days of the execution of this agreement Franklin, WI will have access to retail match lists and marketing packages within sixty (60) business days of execution.

Franklin, WI will be invoiced as follows:

- \$50,000 Year 1 Fee (50% invoiced upon execution of this agreement: 50% invoiced upon solution delivery)
- \$50,000 Year 2 Fee (Invoiced 1st Anniversary of this agreement)
- \$50,000 Year 3 Fee (Invoiced 2nd Anniversary of this agreement)

Buxton may include Franklin, WI on its client list in presentations and public relations efforts. When doing so, Buxton will not reveal information that is confidential and proprietary to Franklin, WI.

The initial term of this agreement is for three (3) years with services invoiced annually. However, at any time during this initial 3-year term, Franklin, WI may cancel services for the following year by providing written notice to Buxton at least sixty (60) days in advance of a yearly renewal. If Franklin, WI cancels services prior to the expiration of the initial term, no additional fees will be due or payable. All service fees associated with this agreement are due in net (10) days of the date of the invoice.

Buxton

Signature

Printed Name

Title

Date

Franklin, WI

Signature

Printed Name

Title

Date

Please provide us with a primary point of contact for invoice receipt.

Name _____

Phone _____

Email _____

Preferred Method of Receipt (Email or U.S. Mail)



BUXTON IS YOUR **COMPETITIVE ADVANTAGE**

Our Retail Recruitment solution is a total marketing strategy that enables community leaders to immediately implement a retail development program. It provides the same analytical information retailers depend on today to make site selection decisions so that you will have a compelling case as to why your city/community/site can support new store and restaurant locations and expansions. Additionally, Retail Recruitment identifies specific retailers who seek a market with household purchasing habits just like yours, and we provide custom marketing packages targeted to that specific retailer.

Retail Recruitment goes beyond a plan. It allows you to be proactive and take the initiative rather than waiting and hoping something happens.

Deliverables

- Drive Time Trade Area Map
- Retail Site Assessment (retail potential of up to three selected sites)
- Retail Match List (specific retailers that match the households in the trade area)
- Retailer Specific Marketing Packages (for up to twenty (20) retailers)
- SCOUT[®] online access to deliverables

Benefits

- Maximize revenue growth to fund city services.
- Retain dollars that are being spent outside the community.
- Create new, permanent jobs.
- Satisfy citizens' desire to shop at home.
- Partner with the leader in site selection analysis to the retail industry.
- Establish credibility with decision makers by providing factual evidence to support your location.
- Use competitive analysis to close the deal.
- A dynamic, consumer-oriented retail sector is a component of a healthy economy.

Buxton's Retail Recruitment

Since our founding in 1994, Buxton has been a leading force in retail location and development. We are recognized for creating solutions that provide results.

Buxton began as a service to help retailers make informed site selection decisions by understanding their customers and precisely determining their markets. Buxton leaders soon realized that the company's expertise in retail location and market analysis could also be leveraged to benefit communities desiring retail expansion. Please note that in this proposal the term "retail" and "retailer" is inclusive of restaurants.

Retail Recruitment Retail Matching

Designed specifically for use in community economic development programs, Buxton's *Retail Recruitment Retail Matching* process has assisted more than 650 public sector clients nationwide, resulting in the development of more than 35 million square feet of retail space. We integrate our impressive technical capabilities with more than 500 cumulative years of retail management and local economic development experience to help municipalities achieve their retail goals.

More than simply providing data, Buxton supplies custom marketing materials and strategies targeting the unique location requirements of retailers, developers and commercial real estate brokers. Buxton clients achieve outstanding success using our tools for retail identification, selection and recruitment. And our clients benefit from our unique understanding of retail site selection from the retailer's point of view. The combination of technical expertise and professional guidance gives municipalities the capacity to immediately implement an effective retail development program.

Benefits of Partnering with Buxton

With Buxton's Retail Recruitment Solution you have immediate access to:

- **Retail Industry Expertise.** Gain a competitive position by working with professionals who have years of retail management experience plus current insights into your community and site selection processes and trends.
- **Community Development Best Practices.** Expand and sharpen your business development focus by incorporating best practices discovered by Buxton through daily work with local governments across the nation.
- **Proprietary Systems.** Gather useful information by having Buxton's technology specialists analyze your trade area accessing data stored on Buxton's in-house databases.
- **Personalized Content.** Advance your business recruitment program by receiving personal guidance from our staff and ongoing insight into key industry topics via our monthly e-newsletter, webcasts and other interactive tools.
- **Long-Term Partnership.** As a Buxton client you may utilize our booth space as a central meeting location and display marketing collateral specific to your City. Additionally, a Buxton representative will be available for on-going calls and emails related to your needs.

Procedures

Once you have engaged Buxton to work with you, a project team will be assigned to guide you through the entire process—from initial data collection to final presentation of the results. This team consists of:

- Account manager, who will serve as your primary source of communication during the project
- Geographic Information System specialist, who will analyze your trade areas and create customized maps and reports
- Professionals with backgrounds as retail executives and economic development practitioners, who will address your unique challenges and help maximize your opportunities

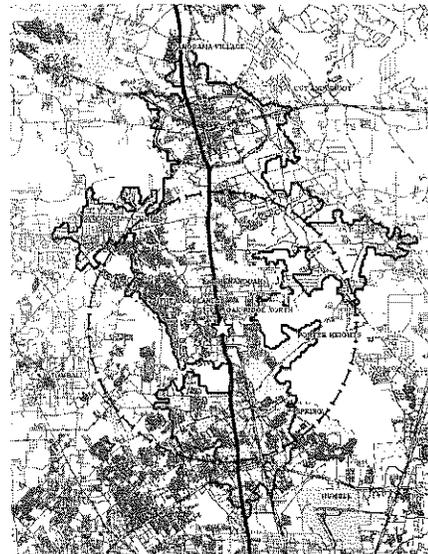
Data Collection

Buxton uses over 250 consumer and business databases that are updated throughout the year, and in some cases, every month. Although it is possible to obtain these databases for less expense on a community or regional basis, Buxton buys and is licensed to use the complete U.S. datasets. With this information Buxton can compare your potential location to the universe of all competing locations operating in the U.S.

Researching and Verifying Your Retail Trade Area

The location decision process for all retailers begins with the collection, analysis and evaluation of numerous location variables such as demand density, customer buying habits, economic trends, competition, traffic volumes, and available sites to name a few.

The process will start with the in-depth collection of data using the same location variables that we use for our retail clients to qualify sites for the location of their retail stores and restaurants. One goal is to define current retail situations in the trade area and in any neighboring communities that impact on the retail environment. The other goal is to understand the community's expectations and desires. This analysis includes personal visits to the community, collection of data components necessary to conduct the analysis and identification of market influencers.



Drive-Time Trade Area Definition

Customers today shop by convenience, measuring distance based on time, not mileage. Retail Matching will employ a custom drive-time analysis to determine your trade area. This custom analysis is developed using an in-house database supported by our knowledge of individual retail client's actual trade areas.

The resulting drive-time trade area map will be a polygon that more accurately depicts consumer shopping patterns than radial rings or hand drawn catchment areas.

To assure the accuracy of the drive-time trade area, the draft maps are reviewed with community leaders and verified before proceeding with the next step.

Evaluating Your Retail Potential

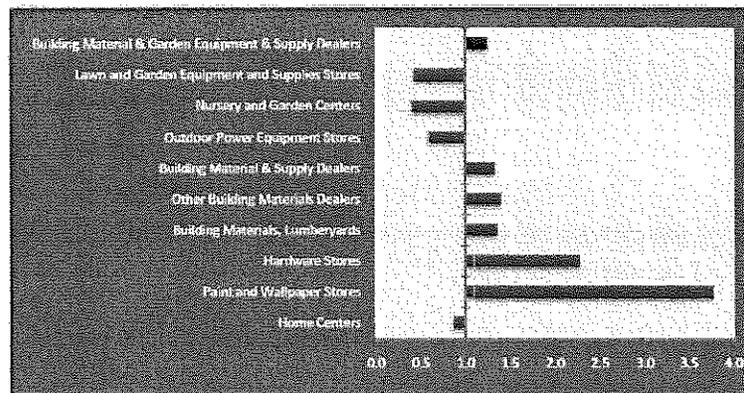
The purpose of the evaluation phase is to understand what makes your trade area market distinctive and valuable from a retailer's viewpoint and scrutiny.

Our evaluations capitalize on Buxton's working knowledge of the retail marketplace and the evolving location requirements and expectations of today's retailers. Combining this knowledge with our economic development competencies allows us to evaluate and recommend proven community practices. Our evaluations do not rely on dated government research or national/state statistics, all of which fail to reflect local realities. Rather, we implement our real-world experience gained from working with local governments that have opened more than 35 million square feet of new or expanded retail space. We know how to help you sharpen your retail marketing strategy, aggressively market the City and improve your market performance.

Retail Leakage/Supply Analysis

The Retail Leakage/Supply Analysis provides an estimate of retail dollars flowing in or out of the trade area. The two main components of this analysis are: 1) current sales (supply) by retail store type, in dollar amounts, and 2) estimated sales potential (demand) for retail store type, in dollar amounts.

We first calculate a sales gap index that illustrates your ability to capture your residents' expenditures.



The sales gap index provides a relative comparison of leakage/surplus and an estimate of the dollars that are being spent outside the trade area (leakage) and the amount of dollars coming in from outside the trade area (surplus).

Local Business Retention and Expansion

The Consumer Propensity Report (CPR) shows the lifestyle, product, and psychographic likelihood indices for the consumers within the trade area being analyzed. Major retail, restaurant, grocery, and consumer packaged goods firms use this very same information to drive marketing and merchandising decisions.

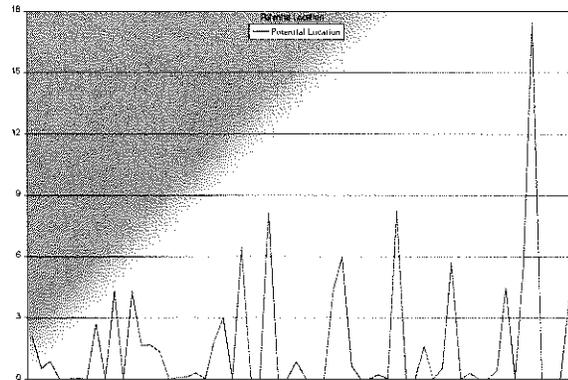
Information is provided for thirty-two (32) major categories with more than 4,800 total line items. Please note that line items are based upon national-level purchasing and lifestyle characteristics. These line items are then correlated to the underlying household characteristics of the consumers within the trade area being analyzed. Some line items may not be necessarily relevant or available in your market

or region. The score in these situations serves to indicate the degree to which the consumers would participate in or purchase that item if it were relevant and available. Often this is taken as an opportunity for expansion of a similar brand or concept within the category.

The CPR is designed to assist the City in developing local business retention and expansion strategies. The City will be armed with fact-based data to assist independent retailers to make merchandising and marketing decisions.

Customer Profiling

The Retail Matching process will identify and analyze all the households in your drive-time trade area. Based on more than 75,000 categories of lifestyles, purchase behaviors and media reading and viewing habits (psychographics), the households in your trade area are assessed to gain an understanding of the types of retailers that would be attracted to your community. Our in-house databases include both traditional demographic data and the most current psychographic lifestyle information for over 120 million households in the U.S. (as well as up to seven individuals living in each of these households). Each household in a trade area falls into one of 60 market segments reflecting the buying habits of customers in the household. The blue line in the adjacent figure graphically profiles the households in a city's trade area.



Retail Site Assessment

Buxton will analyze three (3) distinct retail location/geographic areas, selected by the City. Based on our collective experience in retail locations, the following factors are considered:

- Psychographic analysis of households in trade area
- Demand for retail goods and services
- Growth plans and relevant development
- Retail goals of the community

Buxton will develop a demand density profile of the trade area. Demand density measures the bottom-line value of the customers in the trade area—who they are, how many there are and what they buy. One of the significant advantages of Buxton is our ability to take the demand density data and creatively translate it into a proactive market strategy tailored to take advantage of your City's strengths and to achieve its retail goals.

Matching Retailers and Restaurants to Market Potential

Based on the Retail Site Assessment, you will select one (1) location for retail matching analysis. Once the site for retail matching has been selected and the consumer profiles in the trade area have been determined, Buxton will match these profiles against the customer profiles of 5,000+ retailers in our proprietary database.

In the adjacent figure, the blue line indicates the customer profile of households in a community's trade area. The red bar represents a specific retailer's customer profile. A similarity between the two profiles analyzed using Buxton's proprietary retail matching algorithm concludes that this site is an opportunity for a specific retailer to open a successful store.

These matches result in a list of possible retailers. To develop the preliminary retail match list, Buxton analyzes a number of factors about each possible retailer to qualify it. This analysis is designed to eliminate those retailers that for any reason would not be a candidate. Considered in this analysis are such factors as, verification that a retailer is currently operating or expanding into your market, location of operations in similar cities, and competition and cannibalization from nearby locations.

Once this analysis is complete, the preliminary list of retailers will be discussed and reviewed.

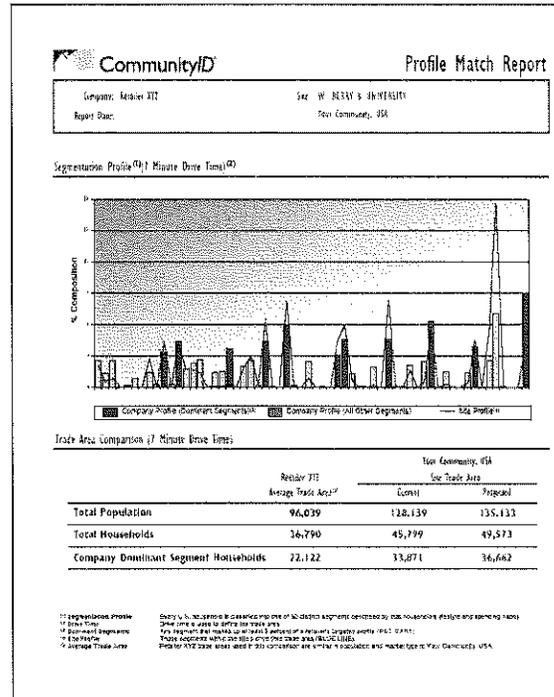
Delivering Marketing Packages

Buxton will assemble an individualized marketing (pursuit) package for up to twenty (20) targeted retailers. Each marketing package will be delivered electronically to facilitate convenient delivery of these packages to targeted retailers, developers and brokers. At the client's request, Buxton can provide a hard copy of each of these twenty (20) packages.

Each marketing package contains:

1. Map of the retail site and trade area
2. Map of retailer's potential customers
3. Retailer match report that compares the site's trade area characteristics with the retailer's locations in similar trade areas
4. Demographic and psychographic profiles of the households in the trade area

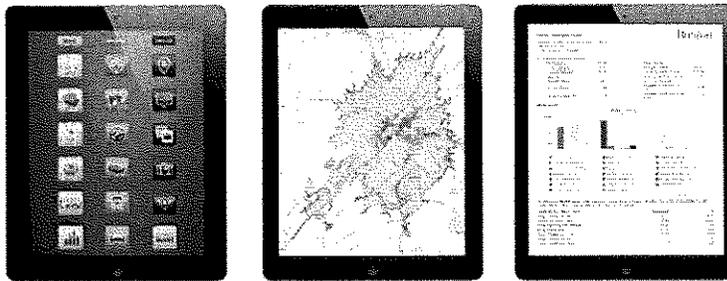
Buxton targets not only specific companies, but also the individual in the company who has the responsibility for location decisions. To provide the best possible reception when the targeted retailer is contacted, Buxton notifies each company that you have been qualified by Buxton as a potential viable location for a store, restaurant or development and should expect to be contacted by a representative of the city.



SCOUT Touch

Delivery and Interaction Platform

Buxton's Retail Recruitment solution will allow you to actively recruit retailers to your community and support existing businesses with the push of a button in SCOUT Touch, providing you with crucial information about your community, your trade areas, your residents, and much more. SCOUT is a web-based platform which is accessible on any Windows or iOS enabled device with an internet connection and designed to give decision-makers in your community access to the data and solutions that will assist them in making better business decisions. The Retail Recruitment solution includes one (1) iPad which will be provided at completion and will be pre-loaded with all key findings. This iPad is your property and is enabled with four (4) SCOUT Users with the ability to **run demographic and trade area profile reports**, and view maps, and other data elements.



ANSWERS AT YOUR FINGERTIPS. ANYTIME. ANYWHERE.

Identifying and quantifying the key variables which impact your community, you will acquire insights from these findings that will provide you with a strong foundation from which to understand retail recruitment and business retention efforts. In Buxton's SCOUT Touch you will be able to:

- Identify Retail Matches
- Run Variable Reports
- View City Limit Maps
- Run Healthcare Reports
- Run Demographic & Consumer Propensity Reports
- See Aerial View
- View Physician Intelligence
- Run Comparable Reports
- Run Retail Leakage/Surplus Reports

Project Requirements

To effectively initiate this project, we request that you provide the following:

1. Project Liaison

You will designate a project manager who will serve as Buxton's primary contact during the project.

2. Community Information and Reports

- Logo (vector file – request from your ad agency and/or printer)
- Addresses and descriptive information for up to three sites that will be evaluated
- List of planned retail, commercial or mixed use (either proposed or in development) in the community
- List of major, national or regional retailers that have closed, left or moved from the community

3. Project Launch

A conference call with you representatives and the Buxton Project Team will officially launch the project. The project launch will occur when:

1. An agreement is executed
2. The initial payment is received, and
3. The Community Information and Reports are received

BUXTON'S EXTENSIVE EXPERIENCE MODELING, AS WELL AS OUR UNPARALLELED DATA AND TECHNOLOGY, MAKE US THE MOST QUALIFIED COMPANY TODAY TO EFFECTIVELY SOLVE YOUR RETAIL RECRUITMENT CHALLENGES.



**Cody Howell, Vice President &
General Manager**

CommunityID

chowell@buxtonco.com

Find out more about Buxton's solutions.
WWW.BUXTONCO.COM

Buxton

“What are the key differentiators that sets Buxton apart?”

When it comes to true retail recruitment/business retention efforts Buxton is the only firm that truly is a market research firm focused on proactive retail recruitment. There are other firms that falsely disguise themselves as retail recruitment. What I mean by this is, if you do your research, you will find that they are new to the market place and at their root are a joint venture with a commercial real estate brokerage firm.

I have recapped below, the main differentiators as to what is unique about Buxton's approach to retail recruitment. As you will see below, there really is not a comparison to be made in approach and credentials.

- True Proactive Retail Recruitment – Buxton is not a broker, which takes the approach of listing available retail square footage on online cataloging sites and calling retail contacts. Our approach is from a market research standpoint; to identify what specific retailers should be looking at Franklin but currently are not. The goal is not to complete transactions on property for retailers that are already looking – this is not being proactive. Retailers that are already looking, are already coming to you. Our goal is to find the others that should be looking at Franklin but currently are not.

- Proven track record – We are not a startup or joint venture effort. Buxton is a 20-year strong firm with proven success in both the private and public sectors. We have worked with over 3,000 retailers and more than 670 communities. Our work in the retail sector is working at the C-level with major retailers for market research as it relates to site selection. This is key and unique because all other firms claim to have experience in the retail sector – the difference is their experience is simply with completing a real estate transaction and not actual site selection or market research. *Completely different backgrounds.*

- Data – Buxton is the largest aggregator of consumer behavior data. This is why retailers lean on Buxton for market selection decisions. We possess and purchase more than 250 unique datasets – we even have an exclusive partnership with the largest major credit processor in the marketplace, which gives us access to transaction level data. All other firms simply purchase one off demographic reports from other providers (such as ESRI) – they do not possess any data and in no shape are a market research / data company. Others will claim that they have access to all of the same data as Buxton. This is simply a false claim. They will downplay the importance of the granularity of data and just focus on the “do it all for” approach (broker approach).

- True Third Party Unbiased Market Validation – Again, Buxton is not a real estate broker. We believe that a community should develop the strong public/private partnerships by leveraging your local broker network and not farm out the brokering to a third party firm. Our approach arms you with the market validation to in turn arm your brokers/developers with to truly be proactive with recruitment.

- No back end fees – You will notice that other perceived recruitment firms structure multi-year partnerships as well, with most being a lower cost in years 2/3 (most around 50% less than the initial year). The reason for this is because again they are real estate brokers so in years 2/3 is when they expect to begin seeing the backend brokerage fees that they will make from the real estate transaction. Their annual fee is more of a retainer fee for them to represent you as a commercial real estate broker – this is not standard practice in the brokerage world. Commercial real estate brokers make their revenue from commissions on the transaction and not by charging an annual retainer. All of the front end marketing work brokers do are just part of them representing the client. However, in the case of the firms that are perceived competitors to Buxton, they are charging their clients an annual fee to essentially just be your broker and to provide you some demographic reporting that they purchase from a 3rd party. I have also seen other firms pass along travel cost to the community. They claim to be willing to travel to your community any time, but read the fine print because all travel cost are to be paid for by the community. Buxton is willing to travel to see our

clients at any time they request and we do so at our expense. We have already done this and continue to be willing to meet directly with you.

- Technology – Buxton has proprietary online platforms (SCOUT & SCOUT Touch) which gives you full access to our databases and other mapping abilities. You will have unlimited access to data reporting as you need to it, access is 24/7 and there are no back end fees. This is the exact same platform that more than 3,000 retailers use for their research purposes (which builds credibility for your community). Other perceived recruitment firms simply purchase access to a third party mapping software from which they pull reports (ESRI) and provide to you. They are not using these reports to match you to retailers or to complete any form of analysis (they simply do not have the ability, software or market research knowledge) as they are not market research firms – they are brokers. I do believe that if you request additional reporting from them that there is a per report cost (but I could be incorrect).

- Conflict of interest –This presents a huge conflict of interest. Other firms claim to “do it all for you” – however, how can they “do it all for you” without there being a conflict of interest? How do they choose if they recommend Franklin over a neighboring community to a retailer? It doesn’t really matter to them where the retailer chooses because they will make the broker fees off of either transaction. The claim to “do it all for you” can be falsely appealing but stop and think about if that is really even possible. I can tell you that we have 130 employees (more than 10 times the size of any other firm) and it would not be feasible to “do it all” for all clients.

I hope this helps in clarifying how Buxton stands out and provides you the support your community needs for business recruitment and retention. If anything else is needed please let me know.

Cody Howell

Buxton Vice President & General Manager CID

(o) 817.332.3681 (c) 817.726.5278

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<http://buxtonco.com/industry-solutions/public-sector/>

In today's competitive environment, retailers and restaurants are weighing their decision of where and how to expand more carefully than ever before. That means local governments and economic development organizations have to make a stronger case in order to recruit new businesses, and enhance their ability to retain and support existing ones. Buxton gives you the answers you need to do both.

With Buxton, the retail industry's top analytic teams will be working to unearth your community's opportunities and bring you answers that have been proven to:

Increase tax revenues by reducing retail leakage and identifying sustainable retail candidates to attract to your community.

Improve quality of life by attracting the type of retailers your citizens want most, and creating a more attractive environment for growth.

Support local businesses by increasing their competitiveness, giving them access to information that reveals opportunities for growth and expansion based on consumer preferences.

In the process, you'll be doing your part to create jobs, improve your community's economic footing, and increase funds for city services.

At Buxton, we made a name for ourselves by showing restaurants, retailers and other businesses how to analyze the best possible sites for their future locations. We've taken that retail expertise and created the most successful tool available for helping local governments and economic development organizations find, attract, and support the best possible retail matches for their communities. If you're interested in forming a more persuasive case for attracting new business, [contact Buxton today](#).

City of Franklin

Economic Development Commission

SPECIAL MEETING MINUTES

Thursday, August 21, 2014

I. Call to Order, Roll Call and Pledge of Allegiance

The August 21, 2014 special meeting of the Franklin Economic Development Commission was called to order by Chairman Haskins at 6:00 pm. Members present were Chairman Haskins, Ald. Wilhelm, and Commissioners Kent and Kaniewski. Commissioner Soto was absent. Also present was Assistant City Attorney Sajdak.

II. Citizen Comment Period

Chairman Haskins opened the floor to citizen comment. There being no citizens expressing a desire to speak, the citizen comment period was closed.

III. Approval of Meeting Minutes

A. July 28, 2014

Motion made (Kaniewski) and seconded (Haskins) to approve all of the minutes presented with corrections. Motion carried: 4 ayes, 0 Noes.

IV. Announcements (No action to be taken)

None.

V. Business

A. Review and discuss quorum, attendance and closed session policies

Chairman Haskins reviewed policies based upon new members being present. Commissioners discussed possibly changing meeting date. No action taken.

B. Discussion and possible action points based upon 8/5 Committee of the Whole meeting

*D. Retail Leakage Reports from Buxton and Milwaukee County

* Commission considered items B and D together.

Economic Development Commission Special Meeting Minutes – August 21, 2014

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Ald. Wilhelm presented background information on the leakage report. Discussion followed concerning findings from the Wisconsin Economic Development Corporation and availability of WEDC programs. Chairman Haskins directed Ald. Wilhelm to contact WEDC to get them to come to an EDC meeting to review their findings and discuss available programs. Motion made (Kaniewski) and seconded (Kent) to pass on to Common Council support of the Council's further research and investigation of the issues raised by the Buxton report. Motion carried: 4 Ayes, 0 Noes.

- C. Update from Planning Department Related to the Request for Maps Showing the Present Location of Various Business Types Within the City

Chairman Haskins indicated that the Planning Department was still working on the request. Ald. Wilhelm left at 7:00. Discussion followed concerning mapping issues and the relationship with existing zoning. Discussion will continue at next meeting upon completion of the map project. In the mean time, Chairman Haskins suggested that members visit areas of the City for possible discussion at that time.

- VI. Next Meeting Date – September 22, 2014

Next Meeting was announced to be September 22, 2014.

- VII. Adjournment

Motion made (Kent) and seconded (Kaniewski) to adjourn the August 21, 2014 Economic Development Commission meeting. Motion carried: 3 ayes, 0 Noes

RESOLUTION NO. 2014-____

A RESOLUTION AUTHORIZING CERTAIN OFFICIALS TO EXECUTE AN AGREEMENT WITH BUXTON COMPANY TO PROVIDE COMMUNITY RETAIL ECONOMIC DEVELOPMENT NEEDS AND SATISFACTION STUDY, RECRUITING AND RETENTION PROFESSIONAL CONSULTING SERVICES

WHEREAS, the Common Council having received and considered a presentation from Kim Honzell, Director of Sales - CommunityID, Buxton Company, Retail Recruitment and Business Retention Analytics at the August 5, 2014 Committee of the Whole meeting and the Common Council at its regular meeting on August 5, 2014 having directed staff to pursue further information with regard to mutual interests with regard to economic development; and

WHEREAS, the Economic Development Commission at its meeting on August 21, 2014 having adopted a motion supporting the Common Council’s direction to staff subject matter, and at its meeting on October 27, 2014, having adopted a motion stating that the Economic Development Commission recommends that the Common Council strongly consider moving forward with Buxton to guide the City and the Economic Development Commission with business recruitment and retention efforts which would allow a jumpstart to assist any economic development employee under consideration; and

WHEREAS, the Common Council upon the recommendation of the Economic Development Commission having reviewed such proposed agreement for business recruitment and retention services and having found same to be reasonable.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Common Council of the City of Franklin, Wisconsin, that an agreement with Buxton Company for business recruitment and retention services, with the general information and cost content as annexed hereto, in City of Franklin format and to be approved by the City Attorney, be and the same is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor, City Clerk and Director of Finance and Treasurer be and the same are hereby authorized to execute and deliver such agreement.

Introduced at a regular meeting of the Common Council of the City of Franklin this _____ day of _____, 2014.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this _____ day of _____, 2014.

RESOLUTION NO. 2014-____
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APPROVED:

ATTEST:

Stephen R. Olson, Mayor

Sandra L. Wesolowski, City Clerk

AYES _____ NOES _____ ABSENT _____