

*****ATTACHMENTS*****



LETTER PROPOSAL

SOLICITATION FOR PEER REVIEW OF BUTZEN SPORTSPLEX STUDY

SUBMITTED TO
City of Sheboygan

SUBMITTED BY
Johnson Consulting

DATE
July 9, 2019



July 9, 2019

Mr. Chad Pelishek
Director of Planning & Development
City of Sheboygan

Re: Solicitation for Peer Review of Butzen Sportsplex Study

Dear Mr. Pelishek:

C.H. Johnson Consulting, Inc. (“Johnson Consulting”) is pleased to submit our proposal to the City of Sheboygan (“Client”) for peer review and advisory services pertaining to the Butzen Sportsplex Study conducted by SB Friedman. Based on our understanding of the City of Sheboygan’s objectives for this engagement, we aim to utilize proven methodologies for preparing accurate analysis and projections so that the Client can confidently make the most informed decision on whether the proposed development warrants more due diligence and a detailed market and financial feasibility study..

Johnson Consulting is nationally recognized for its market research and consulting expertise for sports facilities, sports tourism strategy and real estate development consulting. We have extensive experience in analyzing all aspects of youth sports complex development, including strategic planning, operational projections, structuring of financial plans, economic impacts and various other due diligence services.

Our response is intended to highlight the breadth and depth of Johnson Consulting’s experience, dedication and approach; however, we wanted to point out our unique qualifications as summarized below:

- Johnson Consulting is purposely organized as an advisory practice to ensure our clients receive the highest objective analysis; Johnson Consulting has worked on over 200 sports-centric projects with team owners, developers, towns, cities, counties and public agencies, which have achieved outstanding outcomes based on our recommendations.
- Proven collaborative processes that utilize appropriate market data, operational benchmarks and precise analytics so that our clients can confidently make the most informed decisions. Our team members have worked together for over ten years on comparable studies.
- Extensive sports complex and public assembly experience nationally that entails market assessment, competitive analysis and demand potential, financial and economic impact, construction cost estimates, funding strategies, management and operations advisory, complex business planning, and maximizing economic return from such venues.

Thank you very much for your kind consideration. If we may provide any additional information or answer any questions, please do not hesitate to contact Brandon Dowling at 312.447.2008 or bdowling@chjc.com, or me at 312.447.2008 or bdowling@chjc.com. We truly look forward to the opportunity of serving you.

Sincerely,

C.H. Johnson Consulting, Inc.



Brandon Dowling, Principal, Sports Practice Leader
cc: Charles H. Johnson, IV, President and CEO

SCOPE OF WORK

The following scope of work will be performed for this engagement. Our procedures will test analyses prepared to date, benchmark the proposed development on the property donated by the Butzen estate to other projects, and provide independent analysis and opinions on the achievability of results. Work to be performed will include:

PHASE 1: DEVELOPMENT REVIEW MEMORANDUM

TASK 1 – PEER REVIEW

Johnson Consulting will undertake a high level peer review of the SB Friedman Study as well as the rest of the development materials provided by the Butzen Sportsplex development team that assesses the appropriateness and accuracy of the following:

- Overall methodology.
- Definition of market area and identification of key economic and demographic indicators.
- Assessment of demand and supply conditions.
- Identification of key industry trends.
- Benchmarking of comparable and competitive facilities and markets.
- Facility recommendations.
- Demand and operating projections.
- Economic and fiscal impacts.

- Funding strategies.
- Other components of the report.

We will provide a summary level report that includes our observations of the methodology, analysis and findings of the SB Friedman’s study. We will also provide our assessment of the likelihood that the outcomes presented in the report will materialize in the current market. The intent of this initial high-level peer review analysis memorandum is to assess if the proposed development warrants the expenditure of additional resources for further due diligence on the City’s behalf to investigate the overall market and financial viability as well as funding strategy as spelled out in Phase 2 below.

PHASE 2- MARKET ANALYSIS (OPTIONAL)

TASK 2 – MARKET, ECONOMIC AND DEMOGRAPHIC PROFILE

Johnson Consulting will evaluate the economic and demographic characteristics of the market area. This data is very important because in many markets, the local and regional market and its economic clusters provide much of the potential demand. Our analysis will provide a realistic assessment of the market’s strengths, weaknesses, opportunities, and threats (SWOT). Among the data to be gathered and analyzed will be:

- **Population and demographic trends.**
- Income and employment trends, including any major employers expected to enter or leave the market.
- **Competitive and complementary facilities** in the immediate and broader regions.
- Colleges and universities in the area that could utilize the proposed facility.
- Emerging or established business clusters that would benefit, and/or benefit from, the facility.
- Transportation and access.
- **Hotel supply and growth patterns.** This will allow us to interpret the local community's ability to host tournaments.
- **Portfolio of facilities,** including sports complexes, collegiate, and high school offerings throughout the region and Wisconsin, including an inventory of any proposed facilities and those currently under construction. This will assist us in determining whether there are any gaps in the market due to a lack of supply.
- Identify existing and prospective youth and college sports tournaments which could be accommodated at an indoor sports complex located in Sheboygan.
- Identify primary and secondary market areas for an indoor sports and recreation facility, expressed as drive time.
- National and regional sports participation rates.

TASK 3 – EXISTING VENUE & EVENT ANALYSIS

Johnson Consulting will **assess the current venue and event offerings** in Sheboygan, the broader regional area, and statewide in order to **understand their potential and potentially identify** facilities that have become obsolete or non-competitive. This may determine that the **opportunity that exists for new facility offerings.** Among the factors to be analyzed for each facility scenario include:

- **Facility offerings, marketing, and site plans;**
- **Map of competing facilities** showing facility names and distance to Sheboygan;
- **Ownership and operating structure;**
- **Marketing, event recruitment and level of funding analysis;**
- **Number of events,** by type and attendance;
- **Programming and relative level of usage** at the facilities versus other comparable facilities;
- **Local athletic and recreational leagues and trends;**
- Levels of **club, league and sponsorship interest** in the various sports programs;
- **Revenue and expenses, required funding subsidies, and sources of revenues** that have been used to pay for operations and capital costs; and
- **Public support,** operating or otherwise.

TASK 4 – PARTICIPATORY SPORTS TRENDS

Johnson Consulting will also review recent market and industry trends on the sports tourism industry, as it pertains to youth and adult sports teams (inclusive of club sports). The analysis will be based upon primary and secondary sources of information, such as the National Association of Sports Commissions and the Sports and Fitness Industry Association. We will also use Johnson Consulting’s extensive experience to determine and document industry trends, such as tournament market, recreational market, overall participation trends, overall industry health, funding strategies for development as well as operations, marketing, usage, and other factors that will influence any recommended capital improvements.

TASK 5 – COMPARABLE MARKET ANALYSIS

In conjunction with the City and stakeholders, we will select several comparable markets, including at least one in Wisconsin, that may offer innovative ideas with respect to facility offerings, sports/event tourism, performance as well as general community development related to increasing types of events and/or increasing stays at overnight lodging facilities in and around Sheboygan. We will interview facility management and compile statistical data on the size, quality and performance of these facilities/markets, including demand and operational information. We will provide a realistic assessment of the market’s strengths, weaknesses, opportunities, and threats (SWOT) and it will result in a positioning strategy. We will analyze the following: existing/proposed sports/

event facilities and level of usage; facilities user profile, including educational institutions, recreation sports leagues, tournaments, youth leagues, etc.; volume of sports events held in the area; type of events held in the area; and economic impact.

Johnson Consulting has developed a substantial database of financial and operating data for sports/event facilities of all types throughout the U.S. In addition, we have working relationships with numerous sports facility management companies and all sanctioning bodies that will provide us with a comprehensive understanding of best practices and what the costs and benefits of a new sports complex could be for Sheboygan. Case studies based on analytics of the specific relevant information will be summarized and analyzed in our report to illustrate best practices to achieve desired outcomes.

TASK 6 – FACILITIES AND EVENTS GAP ANALYSIS AND NICHE IDENTIFICATION

Building on the findings from the preceding tasks, Johnson Consulting will review the sports offerings and facilities and events hosted in the broader region and Wisconsin from which potential attendees/users could potentially be drawn. In doing so, we will analyze: the depth, quality, pricing structure, and market reach of existing events/facilities; local and regional league and tournament play; current and historical operations of local facilities in order to assess their demand and financial operating characteristics, their advantages and disadvantages, and their geographic draw, among other factors.

At the conclusion of this Task, we will analyze the results with information obtained from the preceding tasks, segmenting the analysis by type of event and facility. We will also identify unmet needs and demands in the local area as well as any sports needs and demands in the broader regional market.

TASK 7 – FACILITY PROGRAM AND SITE RECOMMENDATIONS

The market analysis will result in recommendations regarding the appropriate facility program. We will prepare preliminary program recommendations as well as a range of probable construction and startup costs. To the extent the Client would like a much more detailed cost estimate, we could add a cost consultant to our team, however in our experience that level of detail is an unnecessary expense at this stage of planning. Additionally, we will provide comments on certain parameters and aspects associated with good design and proper program elements. If the analysis indicates a multi-phased offering over time, we will discuss this with Client representatives. Factors to be addressed include:

- **Optimum size and type** of the facility components;
- Revenue enhancing strategies;
- **Spectator access and seating;**
- Support space, i.e. team rooms, **locker and dressing rooms, administrative** offices, if appropriate;
- **Equipment and operations storage;**

- **Dining, concessions and other retail** elements;
- **Entrance and lobby** areas;
- **Parking;**
- **Adjacent land use opportunities;**
- **Urban design;**
- Other relevant aspects.

TASK 8 – DEMAND PROJECTIONS

Based on the market analysis and performance of comparable facilities, Johnson Consulting will develop attendance figures for different types of events that would be expected to be held at the proposed facility including tournaments, leagues, camps, clinic and other community events. This analysis will identify the sports and recreation needs of the City of Sheboygan’s residents separate from the needs of the broader market.

This demand projection will specifically address the following:

- **Event days by type of event;**
- **Number of tournaments/daily use;**
- **Attendance by event type;**
- **Special events;**
- **Achievable pricing levels;**
- Advertising and Sponsorship opportunities;
- SMERF and non-sports demand;
- **Total use days;**
- **Room nights generated; and**
- **Visitor spending.**

We will **provide demand projections** for the proposed facility for a 10-year period, as follows:

- **Summarization of demand calendars of three to five comparable facilities** that are of the approximate size of the proposed facility.
- **Development of long-range demand projections** addressing the number of events, number of event days, number of attendees, and the amount of space required for the various event types.
 - **Testing of demand projections** using a ‘**Top-down**’ approach reflecting analysis of comparable facility demand, relative levels of supply and demand in the overall market and anticipated future market share.

PHASE 3- BUSINESS PLANNING (OPTIONAL)

TASK 9 – MANAGEMENT, VIABILITY AND OWNERSHIP STRATEGY

Based on our knowledge of sports/event complex operations and experience with similar facilities, we will develop estimates of income from various sources, including, but not limited to, sponsorships, advertising, concessions, and other non-traditional funding sources. As part of its analysis, we will identify the financial viability of an indoor sports and recreation facility.

The study will include a financial proforma statement for recommended facilities that summarizes a projection of potential revenues, expenses, net operating income and debt

service throughout the period of the projections. We will also identify financing constraints in the current market.

The analysis will document our recommended approach to delivery of services, such as staffing, food and beverage, parking, and other major line items affecting the operation, thus providing the reader with a clear understanding of how the facility will earn and spend money, fit into the broader operations of the Township or a private developer’s larger operations, and what the expected financial picture will be at the end of the year. To the extent that public dollars are to be used to support operations, capital improvements, or other items, these sources will also be considered and integrated into the financial analysis.

As appropriate, we may also offer a specific discussion regarding revenue sources that are available to public and private sports facilities, including benefactor naming rights and other specialized revenue streams, such as advertising, and based on market conditions. While it appears that private ownership is preferred, our analysis will also discuss the pros and cons of public ownership and operation versus public funding of the venue but operating it with private management or the implications of a completely private development.

TASK 10 – TASK FUNDING STRATEGIES

Johnson Consulting has extensive municipal, not-for-profit finance experience and private sector development experience in Wisconsin and throughout the US. We will use our collective experience to judge what the market and financial models indicate, to help consider how to execute the project. Previously, we

have identified multiple private sector funding sources, created operating districts, and helped authorities create Tax Increment, Special Assessment and Tourism Development Zones and many other forms of governance. We also have created special park districts and not-for-profit entities to help fund and operate sports complexes, hotels, conference centers, arenas, and real estate development districts.

Drawing on our experiences in sports markets across the country, and discussions with the City and other stakeholders, Johnson Consulting will recommend potential funding sources for the Butzen Sportsplex. We will review public initiatives such as tax increment financing, the market's capacity in lodging or meals taxes, etc. We will recommend funding models, outside of traditional Public Facilities District models and explore any local or state incentives and potential corporate partnership opportunities. We will draw upon examples communities that have taken these various approaches.

The report will set the stage for developing funding applications and deliberations regarding phasing, planning, and subsequent implementation.

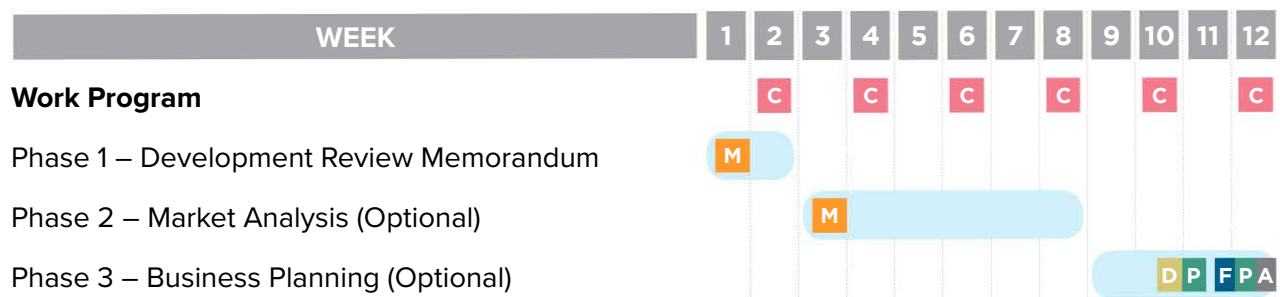
Johnson Consulting will evaluate and recommend a management structure and staffing plan to ensure long term success and will provide examples of successful facilities comparable in size and purpose. We will also recommend methods to expand and improve partnerships between community groups and other public or private organizations currently providing sports and recreation opportunities to Sheboygan residents and the region; as well as ways to expand and improve partnerships between community entities and opportunities to connect and coordinate existing facilities and programs.



SCHEDULED DELIVERABLES

Johnson Consulting commits to completing the scope of work in two to three weeks or a timeline that meets the needs of the City of Sheboygan. As stated in the scope of work, deliverables will include a memorandum of our findings from the analysis. Phase 2: 12 weeks

TIMELINE*



- C** Conference Calls
- M** Meeting/Workshop
- D** Draft Report
- F** Final Report
- P** Presentation
- A** Acceptance of Final Report

* Schedule is tentative and subject to change

FEES

We propose to complete the preceding scope of work for fee amounts outlined below.

Phase	Fees
Work Program	
Phase One	\$7,500
Phase Two	\$25,000
Phase Three	\$20,000

Fees for the above referenced Task 1 scope of work are \$7,500 fees, plus out of pocket expenses for travel. Expenses will be billed only as incurred for any travel related expenses. As discussed, we will charge on a time and materials basis at our hourly rates found in the table below. If services outside of this scope of services are requested, we will negotiate a modification to this contract at that time. Fees for the optional phases can be discussed upon client request.

OTHER TERMS

We wish to be a more meaningful service provider to the City of Sheboygan. For the next two years, this agreement is extendable for other services related to youth sports complex analysis, economic and fiscal impact analysis, financing reports and owner's representation services. As the City of Sheboygan continues to further investigate the development of a new sports complex, we believe our services would be of significant value.

We are available to begin work immediately and commit to delivering the highest quality product within a timeframe that meets your needs. If this proposal meets your approval, please indicate by signing in the appropriate space on the following page. Should you have any questions please feel free to contact me at 312-447-2008.

Thank you for your interest in our firm. We look forward to the opportunity to serve you.

CONTRACTUAL CONDITIONS

Subject to the actual terms and conditions of any subsequent agreement with you, the following conditions are standard policy for Johnson Consulting and are customary for engagements of this type. Should you have any questions concerning any of these conditions, please feel free to contact us.

The findings and recommendations of our research will reflect analyses of primary and secondary sources of information. Estimates and analyses presented in our report will be based on economic trends, market assumptions, and financial data that are subject to variation. Johnson Consulting will use sources that it deems reliable, but will not guarantee their accuracy. Recommendations will be made from information provided by the analyses, internal databases, and from information provided by management.

It is understood in accepting this proposal that neither fees nor payment thereof is contingent upon the findings of the study. Upon receipt of invoices, payment is to be made within 30 days of receipt unless prior arrangements have been made with management. Additionally, all outstanding invoices must be current prior to the release of any draft and final reports.

Johnson Consulting will have no responsibility to update its report for events and circumstances occurring after the date of its report. If you decide not to proceed with the project, or if it appears that the study will result in a finding that the project cannot achieve its required results, Johnson Consulting would, at your request, terminate its work and would only bill you for fees and expenses incurred to that point in time.

If you require us to attend meetings and make presentations beyond the scope of services, Johnson Consulting will charge separately for its actual hours of professional time incurred in preparing for and attending the meetings. Professional time will be billed at Johnson Consulting's standard hourly rates plus travel and incidental expenses. Billing rates are subject to a minimum five percent increase as of January 1, 2019.



Invoices outstanding after thirty days of receipt shall accrue at the interest rate of one percent per month until paid. If we need to bring action to enforce the terms contained in this letter, you will be responsible to pay our reasonable attorney's fees, costs and expenses.

We commit to delivering the highest quality product within the timeframe we have proposed. Thank you for your interest in our firm. We look forward to the opportunity to serve you.

AUTHORIZATION TO PROCEED

Signature: _____

Name: _____

Title: _____

Date: _____

JOHNSON CONSULTING MISSION STATEMENT

Johnson Consulting is committed to providing governments, developers, and not-for-profits with real estate market and financial analysis and project implementation support for urban and destination-oriented projects.

We guide our clients through organizational advancement by way of best-practice advisory services.

We promote the following values through our work: objectivity, independence, economic pragmatism, and social responsibility.



JOHNSON CONSULTING
6 East Monroe Street
Chicago, IL 60603
312.447.2010 | chjc.com



August 1, 2019

Mr. Chad Pelishek
Director of Planning & Development
City of Sheboygan
828 Center Avenue, Suite 100
Sheboygan, Wisconsin 53081

Dear Mr. Pelishek:

It was good to speak to you recently concerning your potential interest in contracting for a peer review and related advisory services concerning the proposed Butzen Sports Complex Proposal & Study. The purpose of this letter is to outline a scope of work and associated fees for services that we could undertake at your request.

PROPOSED SCOPE OF WORK

We have structured the proposed scope of work into two primary phases. The first phase entails a cursory peer review of the Proposal & Study document received by the City related to the proposed Butzen Sports Complex project. The second optional phase consists of a comprehensive market, program, financial and economic analysis necessary to appropriately measure and estimate market demand, supportable program, cost/benefit, and funding aspects specific to Sheboygan and the proposed sports complex project.

Phase 1. Peer Review

CSL has extensive experience evaluating market, program, financial, economic and funding issues pertaining to indoor and outdoor amateur sports and recreation facility projects in markets of all sizes throughout the country. We have also undertaken a number of peer review engagements, focusing on evaluating the appropriateness of underlying assumptions, analysis methods and conclusions pertaining to sports, recreation, event and mixed-use facility/development projects. This first phase does not include primary market research specific to Sheboygan or the potential base of users associated with the proposed complex. Rather, the intent is to provide reaction and opinion concerning to apparent reasonableness of key assumptions, projections, and P3 (public-private partnership) terms outlined in the Proposal & Study, largely based on our extensive experience with comparable facility projects and insight into industry best practices. Our letter outlining findings will reference the limitations of this type of cursory review.

As a first step, we will meet with project representatives via conference call to discuss the project and information contained in various documents. We will also independently review the salient aspects of the Sheboygan market, in terms of existing facilities, key sports user groups and potential demand generators, destination attributes, hotel and visitor amenity inventory, socioeconomic characteristics and other such measurements.

A review of the Proposal & Study and related documents will be conducted. We will utilize our experience with other comparable projects and information contained within our extensive database. The areas of focus that we will provide comment on as it relates to the Proposal & Study include, but are not limited to:

1. Consistency of Proposal & Study research and analysis methods, approach, comparable facility set, and completeness.
2. Reasonableness of Proposal & Study assumptions related to:
 - a. Utilization:
 - i. Tenants and user groups.
 - ii. Annual, monthly and weekly usage.
 - iii. Use mix (tournaments, league games, practices, camps, clinics, other).
 - b. Attendance:
 - i. Participants.
 - ii. Spectators.
 - iii. Local vs. non-local overnight vs. non-local daytrip.
 - c. Facility Program & Site:
 - i. Square footage, design, layout, amenities, parking.
 - ii. Site orientation, location, accessibility, ancillary amenities/development.
 - d. Financial:
 - i. Rates and fees.
 - ii. Sponsorship and naming rights.
 - iii. Revenue per capita and profit sharing.
 - iv. Staffing levels.
 - v. Variable vs. fixed costs.
 - vi. Utilities, repair & maintenance, general & administrative, other.
 - vii. Capital repair & replacement reserve.
 - viii. Pro Forma, budget and projections.
 - e. Economic:
 - i. Methodology and approach in quantifying construction, in-facility and out-of-facility impacts.
 - ii. Displaced vs. net new impact consideration.
 - iii. Daily spending per visitor.
 - iv. Multipliers.
 - v. Tax impacts.
 - f. Business Plan, Funding & Proposed P3 Terms:
 - i. Thoroughness of business plan, governance & day-to-day operational structure, coordination/collaboration with stakeholders.
 - ii. Alignment with City and community interests.
 - iii. Funding proposal, terms, opportunities/benefits to City, risk to City.
 - iv. Areas of additional needed clarification or embellishment.

Following this review, we will prepare a letter outlining the methods and extent of our review, along with key observations related to the above items. We would also be available to discuss our observations and reactions via conference call.

Phase 2. Feasibility Analysis (Optional)

Phase 2 would be performed at the City's express consent and would consist of a comprehensive, independent study of project feasibility. Phase 2 will build on the work completed in Phase 1 and will provide a defensible set of research and analysis of the project's unique market demand, supportable program, financial operations, economic impacts, and partnership and funding opportunities. An outline of the tasks that would be included in this optional phase is presented below and on the following page.

- 1) Visit & Kickoff:
 - a. Multi-day visit to Sheboygan.
 - b. Meeting with Client and CSL leaders.
 - c. Review of past reports and planning materials.
 - d. Site visit and community tours.
 - e. Meetings/focus groups with stakeholders, user groups, and community leaders.
- 2) Analysis of Local Market Conditions:
 - a. Demographic and socioeconomic characteristics.
 - i. Population and households.
 - ii. Household income and effective buying income.
 - iii. Age stratification.
 - iv. Ethnicity.
 - v. Businesses, corporate composition and employment.
 - b. Existing sports, recreational and athletic training facilities.
 - c. Hospitality infrastructure (hotels, attractions, restaurants, retail, etc.).
 - d. Tourism activity, drivers and related infrastructure.
 - e. Transportation accessibility and infrastructure.
 - f. Inventory of athletic and recreational organizations, leagues, clubs and programming.
 - g. Existing educational institutions and athletic/recreation programs.
- 3) Analysis of Competitive Facilities (local and regional):
 - a. Location and site.
 - b. Characteristics.
 - c. Owner/operator.
 - d. Tenants and key users.
 - e. Competitive influence.
 - f. Proposed new facility development.
- 4) Comparable Facility Benchmarking Analysis (national):
 - a. Characteristics.
 - b. Owner/operator.
 - c. Tenants.
 - d. Market niches, business case, noteworthy amenities/theme/technology.
 - e. Funding and partners.
 - f. Use/activity levels.
 - g. Rates, charges and fees.
 - h. Financial operating performance.
 - i. Economic impacts.
- 5) Surveys, Interviews & Outreach:
 - a. Meetings/interviews with key targeted local users/tenants/partners.
 - b. Telephone interviews with key local athletic organizations and programs.
 - c. Telephone interviews with non-local organizations/tournaments representing demand opportunities.
 - d. Online community survey to assess interest/opinions in new sports & recreation facility development and of the proposed Complex concept and program.

- 6) Supportable Concept, Program & Site:
 - a. Market support building program, amenities, programming, and optimal site characteristic recommendations.
 - b. Development and owner/operator/partner scenarios.
- 7) Financial Analysis:
 - a. Assumptions driven by market analysis conclusions.
 - b. Performance modeling and projections by scenario:
 - i. Utilization hours by user group type.
 - ii. Attendance (participants, spectators, host organization).
 - iii. Operating revenue.
 - iv. Non-operating income.
 - v. Operating expenses.
 - vi. Other expenses and capital needs.
- 8) Economic Impact Analysis:
 - a. Assumptions driven by market analysis conclusions.
 - b. Impact modeling and projections by scenario over 20-year period:
 - i. Direct spending (construction, in-facility and out-of-facility).
 - ii. Indirect and induced spending.
 - iii. Personal income (earnings).
 - iv. Employment (full- and part-time jobs).
 - v. Tax revenue (including sales, lodging and other taxes).
 - c. Intangible/non-quantifiable impacts and benefits.
 - d. Cost/benefit and return-on-investment comparisons
- 9) Funding, Partnership & Business Case Analysis
 - a. Industry-typical structures.
 - i. Public sector vehicles and sources.
 - ii. Private sector sources and partnerships.
 - iii. P3 transactions
 - b. Comparable case studies.
 - c. Opportunities unique to Sheboygan and the proposed project.
 - d. Appropriate model, business structure and terms appropriate to minimize risk and optimize benefits and ROI in Sheboygan.

PROPOSED FEES & TIMING

Total professional fees for any engagement will depend on the number of hours required to complete the project and skill levels of the assigned personnel.

Professional fees and expenses associated with Phase 1 will not exceed \$15,000. Should Phase 2 be expressly requested by the City, professional fees and expenses associated with Phase 2 will not exceed \$35,000. This Phase 2 quotation assumes the completion of Phase 1 services, and would include two visits to Sheboygan by CSL project leaders.

Professional fees and out-of-pocket expenses will be billed and are payable on a monthly basis. Should additional work be required beyond the scope of services detailed herein, professional fees will be billed on an hourly rate basis. Total professional fees for additional services will depend on the number of hours required to complete and skill levels of the assigned personnel.

We would expect to be able to complete Phase 1 within 3 to 4 weeks, while Phase 2 would require an additional 10 to 12 weeks to complete (upon client notification to proceed). In addition, regular progress updates will be forwarded to you in-person or via conference call during the study period. Furthermore, we anticipate completing the contracted elements in full, performing all work as set

Mr. Chad Pelishek
August 1, 2019
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forth in the ultimate final contract. In the event that a decision not to proceed occurs, we will cease our work, and bill you for time incurred on the project at that point in time.

* * * * *

Upon your review of this information, please do not hesitate to contact me at (612) 294-2003 or bkrueger@cslintl.com. We would look forward to further discussing the specific study preferences or alternatives you may have for consultation or a study. We would look forward to the opportunity to assist you with your planning concerning this project and could put together an engagement letter (contract) at your request.

Sincerely,



Bill Krueger
Principal
CSL International

CITY OF SHEBOYGAN

REQUEST FOR REDEVELOPMENT AUTHORITY CONSIDERATION

ITEM DESCRIPTION: Discussion and possible action on proposals with third-party independent sports consultants to review the Butzen Sports Complex proposal.

REPORT PREPARED BY: Chad Pelishek, Director of Planning and Development

REPORT DATE: July 12, 2019

MEETING DATE: July 17, 2019

FISCAL SUMMARY:

STATUTORY REFERENCE:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

City staff had conference calls with two sports consulting firms, Johnson Consulting and CSL International. Conventions, Sports & Leisure International (CSL) is a leading advisory and planning firm specializing in providing consulting services to the convention, sport, entertainment and visitor industries. Johnson Consulting is committed to providing governments, higher education institutions, developers, and not-for-profits with real estate market and financial analysis, public-private partnership advisory, owner's representation service and project implementation support.

Both consultants were asked to provide a cost for a third-party independent peer review of the Butzen Sports Complex proposal on behalf of the Redevelopment Authority (RDA).

Phase 1: Peer Review

Johnson Consulting: \$7,500
CSL International: \$15,000

Phase 2: Market/Feasibility Analysis

Both consultants feel the need to advance to a market analysis stage as they feel this is missing from the Butzen Sports Complex proposal. Should the RDA decide to move into a Phase 2 to complete a Market/Feasibility Analysis of the proposal the costs would be as follows:

Johnson Consulting: \$25,000
CSL International: \$35,000

STAFF COMMENTS:

This would be an unbudgeted expense for the Redevelopment Authority. Staff believes they can find up to \$10,000 to cover a peer review should the RDA feel the need to proceed with the independent review.

ACTION REQUESTED:

Motion as determined by the RDA.

ATTACHMENTS:

- I. Proposal dated August 1, 2019 from Conventions, Sports and Leisure International
- II. Proposal dated July 9, 2019 from Johnson Consulting