GENERAL CONSULTING SERVICES AGREEMENT

This Agreement is made as of January 18, 2022 by and between Ann Arbor Downtown Development Authority ("Client") and 4WARD PLANNING INC., a New Jersey based business entity ("4WARD PLANNING").

The owner of the Project and Project property is:

Name: Ann Arbor Downtown Development Authority
Address: 150 South 5th Avenue, Suite 301, Ann Arbor, MI 48104
Name of Contact Person: Amber Miller, Planning and Research Specialist

ANN ARBOR DOWNTOWN MARKET STUDY UPDATE

Scope of Services

4WARD PLANNING will provide the "Scope of Services" described in Attachment A. The Scope of Services will be provided in phases, lump sum or on an hourly basis, as further identified in Attachment A.

Section 1. Fees for Services

4WARD PLANNING’s fee(s) for Scope of Services described in Attachment A shall be as set forth in Attachment A. Any services not specifically specified within Attachment A shall be considered outside of scope and subject to additional negotiated fees.

Section 2. Payment Terms

All retainers or upfront deposits, if so specified within Attachment A, must be received by 4ward Planning prior to 4ward Planning commencing its work. Invoices will be submitted by 4WARD PLANNING each month (not necessarily falling on the first or last day of the month), unless otherwise stated in the Scope of Services document. Approved amounts indicated on invoices are due and payable within 30 days of receiving invoice. If any litigation or collection proceedings arise out of payment default by Client, 4WARD PLANNING shall be entitled to reasonable attorneys’ fees and costs for recovery of said amounts.

Section 3. Termination

This Agreement may be terminated by either Client or 4WARD PLANNING by giving written notice at least ten (10) days prior to the date of termination. In the event of such termination, Client shall pay 4WARD PLANNING for services and Reimbursable Expenses performed or incurred prior to the termination date plus all costs and expenses directly attributable to such termination for which 4WARD PLANNING is not otherwise compensated.

Section 4. Ownership and Use of Documents

Plans, tables, charts summary writings or financial documents prepared or provided by 4WARD PLANNING, hereunder, shall remain the property of CLIENT. Client further agrees to hold 4WARD PLANNING harmless and indemnify 4WARD PLANNING from and against any and all damages, losses attorney’s fees, costs, and/or expenses which 4WARD PLANNING may incur as a result of a claim by any party or entity, arising out of an unauthorized use of said plans, drawings, specifications, and/or documents.
Section 5. Indemnification

Subject to the limitations set forth in Section 7, herein, Client and 4WARD PLANNING each agree to indemnify one another from and against damages, reasonable attorney’s fees, costs and expenses arising from a claim or claims by any third party to whom the indemnitee is liable, to the extent caused by the indemnitor’s negligent acts, errors or omissions related to the Project or Project property. Nothing herein shall be construed as a waiver by client of governmental immunity or any other lawful defense.

Section 7. Miscellaneous

(a) Client and 4WARD PLANNING each bind itself and its successors and assigns to this Agreement. Neither Client nor 4WARD PLANNING shall assign or transfer its interest in this Agreement without the prior written consent of the other.

(b) This Agreement shall be governed by the laws of the State of New Jersey. Any disputes arising in connection herewith shall be referred to the state or federal courts within the State of New Jersey as first-instance courts of exclusive jurisdiction to which both parties hereby submit. To the greatest extent permitted by law, Client and 4WARD PLANNING hereby waive all rights to trial by jury. The prevailing party in any dispute between the parties in connection herewith shall be entitled to all costs and expenses, including without limitation, reasonable attorney’s fees and expenses incurred, provided that such costs shall be limited in amount to the lesser of (i) $25,000 and (ii) the amount payable by Client hereunder for 4WARD PLANNING’s fees for Scope of Services and Additional Services.

(c) This Agreement represents the entire Agreement between Client and 4WARD PLANNING. This Agreement may be amended only by a writing signed by both Client and 4WARD PLANNING. The agreement shall be governed by the laws of Michigan and that the federal or state courts of Michigan shall be the courts with jurisdiction over any dispute arising under the contract.

(d) Any individual who signs this Agreement on behalf of Client or 4WARD PLANNING, represents, promises, and guarantees, that he or she is fully authorized to execute this Agreement on behalf of the respective party.

4WARD PLANNING INC

DATE:

By: __________________________

Its: __________________________

Client: DOWNTOWN DEVELOPMENT AUTHORITY

DATE: 1/18/2022

By: Maura Donovan

Its: Interim Executive Director
Scope of Services

Working in collaboration with the Ann Arbor Downtown Development Authority (Ann Arbor DDA), 4ward Planning will complete a comprehensive update of the 2018 Ann Arbor Downtown Market Scan. Scope of work details are outlined below by task.

Task 1: Gathering and Review of Existing Market Data

4ward Planning will review existing and current market data possessed by the Authority, including its various annual market reports (e.g., State of Downtown Ann Arbor Report 2019-2020), development pipeline data (project by total units and year completed) maps, and third-party data and reports (e.g., Colliers International Ann Arbor) provided by local multi-family residential, retail and/or office brokers.

Additional real estate data (e.g., multi-family residential, retail and office) and information will be gathered for Downtown Ann Arbor and its districts (e.g., Kerrytown, State Street, South University, and Main Street), the City of Ann Arbor and the Ann Arbor MSA (contiguous with Washtenaw County). Where available, data will be compared to other downtown areas, nationally, of similar size and character (e.g., Downtowns Berkeley, CA; Boulder, CO; and Chapel Hill, NC).

Task 2: Summary of Analysis and Identification of Trend Drivers

4ward Planning’s analysis will encompass the following:

- **Population and Households**: Population and household trends will be derived from data provided by Esri’s Community Analyst. Current and near-term (next five years) population and household growth for Downtown Ann Arbor will be derived from data provided by Esri’s Community Analyst or the Ann Arbor DDA (Note: a complete 2020 demographic data set has not yet been released by the U.S. Census and said data set is not expected to be available for up to another year. Consequently, this current report will rely upon 2021 and 2026 estimates provided by Esri and will be updated once the full 2020 data set for the city of Ann Arbor becomes available).

- **Retail & Restaurant**: Retail real estate inventory and trends will be derived from data provided by Esri’s Community Analyst and other third-party data sources (e.g., Colliers International, LoopNet, Crexi.com). New near-term retail and restaurant store demand will be calculated based on population data estimates and the Ann Arbor DDA, employment growth provided by the U.S Census, retail sales estimates per household provided by Esri, retail sales per square foot assumptions derived from BizStats, and retail capture based on known industry standards.
2022 Ann Arbor Downtown Market Scan

- **Multi-family:** Multifamily real estate inventory and trends will be derived from City of Ann Arbor building permit data, Esri’s Community Analyst, the Department of Housing and Urban Development (HUD), and other third-party data sources (e.g., Colliers International, Bouma Group, LoopNet, Padmapper.com). Near-term housing needs (next five years) will be estimated based on existing multifamily real estate inventory and demand drivers informed by data collected from local real estate professionals.

- **Employment & Office:** Employment trend and earnings data will be collected via the U.S. Census’s OnTheMap application. Office real estate inventory and trends will be derived from data provided by third party data sources and reports, if available (e.g., Swisher Commercial, LoopNet, Crexi and Colliers International). New near-term office space demand will be based on 2018-2028 projected employment growth provided by the Michigan Department of Technology, Management and Budget for the Southeast Michigan Prosperity Region, average office workers per industry provided by the National Association of Realtors (NCRER) (e.g. 89 percent of professional, science and tech jobs are office-based), and an assumption of 175 square feet of office space per office worker (Note: Given the increasing rise in remote/hybrid work situations for traditional office workers, we will make adjustments to projected near-term office space demand).

- **Construction Costs:** Construction costs (e.g., building costs and per square foot) will be calculated based on 2021 square-foot estimates by building type provided by RSMeans Online for the City of Ann Arbor. Estimates assume open-shop labor, and default wall/framing types, and contractor and architectural fees. City Cost Indexes data will also be provided by RSMeans for the City of Ann Arbor and comparable downtowns.

Task 3: Interpretation of Analysis Findings and Identification of Near-Term Needs

Based on the foregoing analysis and identification of existing real estate inventory and demand drivers, we will estimate near-term real estate needs over next five years. Supply/demand analysis will be used to identify the following:

- Net new multi-family units to be captured in the downtown will be broken out by household income, bedroom, and ownership type (e.g., rental and for-sale)
- Net new retail by square footage by category (e.g., grocery stores, full-service restaurants; adjusted for the increase in on-line shopping for certain categories of goods)
- Net new office jobs and space demand by square footage (adjusted for the increase in remote/hybrid work arrangements).

Additionally, and based on third party research, we will estimate downtown worker spending potential by major category (dining out, apparel, other services).

Task 4: Economic Impact Analysis

4ward Planning will utilize IMPLAN Professional (a widely used economic impact assessment software system) to evaluate the economic impact of identified public sidewalk/streetscape projects.
Utilizing IMPLAN data for Washtenaw County, 4ward Planning will calculate the direct, indirect, and induced economic impacts (e.g., output, job, and local and state taxes) associated with identified sidewalk/streetscape projects.

Deliverable format

A final 2022 Ann Arbor Downtown Market Scan will include corresponding charts, tables, and narrative summary of key findings. Additionally, all data sources and methodologies employed will be made part of the final report. The dashboard style report will be designed in graphic friendly manner, permitting ease of interpretation and lending itself to being hosted on the Ann Arbor DDA’s web site, as well as for hard copy distribution. We expect that the entire report will be approximately 25 to 30 pages in length and be crafted for annual updates, as needed. We will deliver one electronic copy of the report (PDF and PowerPoint) to the Ann Arbor DDA.

Fee Schedule

4ward Planning will perform the above scope of work for a lump sum fee of $12,500, inclusive of expenses. Please note that travel is not contemplated for this project and, should 4ward Planning staff be required to travel, a separate invoice for related travel expenses shall be generated.

Any other task and work product not identified in the above scope of work shall be subject to an additional negotiated fee, should the Ann Arbor DDA desire same. Upon the publishing of the full 2020 Census data set for Ann Arbor, 4ward Planning will update the report with that data for an additional fee of $2,000

Our fee shall become due and payable 15 days after delivery of final report to the Ann Arbor DDA.

Performance Schedule

4ward Planning, upon receiving a signed agreement and a notice to proceed, will complete the above analysis and deliver a draft report within 60 days, thereafter. We anticipate after receiving final comments and recommendations for edits that a final report will be delivered one-week later.