



Finance Committee Meeting

Cravath Lakefront room 2nd floor 312 West
Whitewater Str, Whitewater, WI, 53190 *In Person
and Virtual

Tuesday, August 25, 2026 - 5:00 PM

Citizens are welcome (and encouraged) to join our webinar via computer, smart phone, or telephone.
Citizen participation is welcome during topic discussion periods.

Microsoft Teams meeting

Join: <https://teams.microsoft.com/meet/294162322884024?p=pQG4R4ET8CvfK59u1N>

Meeting ID: 294 162 322 884 024

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Dial in by phone

[+1 929-229-5663](tel:+19292295663), [6550111333](tel:+19292295663) United States, New York City

Phone conference ID: 655 011 133#

Please note that although every effort will be made to provide for virtual participation, unforeseen technical difficulties may prevent this, in which case the meeting may still proceed as long as there is a quorum. Should you wish to make a comment in this situation, you are welcome to call this number: (262) 473-0108.

AGENDA

CALL TO ORDER

ROLL CALL

CONSENT AGENDA

Items on the Consent Agenda will be approved together unless any committee member requests that an item be removed for individual consideration.

1. July 28, 2026 Finance Committee Meeting Minutes

HEARING OF CITIZEN COMMENTS

No formal Committee action will be taken during this meeting although issues raised may become a part of a future agenda. Participants are allotted a three minute speaking period. Specific items listed on the agenda may not be discussed at this time; however, citizens are invited to speak to those specific issues at the time the Committee discusses that particular item.

To make a comment during this period, or during any agenda item: On a computer or handheld device, locate the controls on your computer to raise your hand. You may need to move your mouse to see these controls. On a traditional telephone, dial *6 to unmute your phone and dial *9 to raise your hand.

CONSIDERATIONS / DISCUSSIONS / REPORTS

- [2.](#) Discussion and update on the stabilization of the Library's budget
- [3.](#) Discussion and possible action to recommend approval of the Starin Park fiber extension quote from WIN Technologies for \$35,000 to Common Council.
- [4.](#) Discussion and possible action to recommend the approval of the antivirus/endpoint quote from CrowdStrike for \$34,136 to Common Council
- [5.](#) Review and Possible Action: Proposal for Updated Housing Study by Tracy Cross & Associates - Community Development Department
- [6.](#) Discussion and Review of the Capital Improvement Policy's Final Draft
- [7.](#) Review of the Proposed 2027 Budget Timeline and selection of dates for Finance Committee Budget Review Meetings
- [8.](#) Discussion and update on the Fire/EMS Department's Fund Balance Policy

FUTURE AGENDA ITEMS**ADJOURNMENT**

A quorum of the Common Council may be present. This notice is given to inform the public that no formal action will be taken at this meeting.

Anyone requiring special arrangements is asked to call the Office of the City Manager / City Clerk (262-473-0102) at least 72 hours prior to the meeting.



Finance Committee Meeting Item 1.

Cravath Lakefront room 2nd floor 312 West
Whitewater Str, Whitewater, WI, 53190 *In Person
and Virtual

Tuesday, July 28, 2026 - 5:00 PM

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Citizen participation is welcome during topic discussion periods.**

Finance Committee Meeting 07-28-2026 | Join meeting in Teams | Microsoft Teams

Please note that although every effort will be made to provide for virtual participation, unforeseen technical difficulties may prevent this, in which case the meeting may still proceed as long as there is a quorum. Should you wish to make a comment in this situation, you are welcome to call this number: (262) 473-0108.

AGENDA CALL TO ORDER

The meeting was called to order at 5:00 p.m. by Patrick Singer.

ROLL CALL

Present: Patrick Singer and Gavin Kelleher

Absent: Brian Schanen

Additional Attendees: Rachelle Blich, Director of Finance; Sara Marquardt, HR Manager; Mason Becker, Economic Development Director; Diane Jaroch, Library Director

CONSENT AGENDA

Items on the Consent Agenda will be approved together unless any committee member requests that an item be removed for individual consideration.

1. Finance Committee Meeting Minutes from June 23, 2026
2. June 2026 General Fund Financials

Motion to approve the consent agenda made by Gavin Kelleher, Seconded by Patrick Singer.

Voting Yes: Patrick Singer and Gavin Kelleher. Voting No: None.

HEARING OF CITIZEN COMMENTS

No formal Committee action will be taken during this meeting although issues raised may become a part of a future agenda. Participants are allotted a three minute speaking period. Specific items listed on the agenda may not be discussed at this time; however, citizens are invited to speak to those specific issues at the time the Committee discusses that particular item.

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these controls. On a traditional telephone, dial *6 to unmute your phone and dial *9 to raise your hand.

CONSIDERATIONS / DISCUSSIONS / REPORTS

3. Presentation of 2025 Annual Financial Statements and Audit by Johnson & Block
4. Discussion and Possible Action to Recommend Approval of the Lateral Transfer Language for Vacation to the Common Council

Motion to recommend approval of the Lateral Transfer Language for Vacation to Common Council made by Patrick Singer, Seconded by Gavin Kelleher.

Voting Yes: Patrick Singer and Gavin Kelleher. Voting No: None.

5. Discussion and Possible Action to Recommend Approval of the Vacation Payout Policy to Common Council

Motion made to recommend approval of the Vacation Payout Policy to Common Council made by Patrick Singer, Seconded by Gavin Kelleher.

Voting Yes: Patrick Singer and Gavin Kelleher. Voting No: None.

6. Review, Discussion, and Possible Action: Proposed Whitewater Downtown Activation Initiative

Motion to recommend a budget amendment for the Downtown Activation Initiative to Common Council made by Gavin Kelleher, Seconded by Patrick Singer.

Voting Yes: Patrick Singer and Gavin Kelleher. Voting No: None.

7. Discussion and Direction on the Capital Improvement Policy
8. Discussion and Direction Regarding the City's 2027 Appropriation for the Library
9. Discussion and possible action to recommend the authorization to order a replacement vehicle for Shared-Ride Taxi to Common Council
10. Discussion and Review of the Library's Capital Donations

FUTURE AGENDA ITEMS

ADJOURNMENT

A motion to adjourn was made by Gavin Kelleher, Seconded by Patrick Singer.

Voting Yes: Patrick Singer and Gavin Kelleher. Voting No: None.

The meeting adjourned at 6:30 p.m.

A quorum of the Common Council may be present. This notice is given to inform the public that no formal action will be taken at this meeting.

Anyone requiring special arrangements is asked to call the Office of the City Manager / City Clerk (262-473-0102) at least 72 hours prior to the meeting.

Date: August 25, 2026

To: Finance Committee

From: Rachelle Blitch, Director of Financial and Administrative Services

Re: Follow-Up Update on Library Budget Stabilization Work

At the July 28th meeting, staff provided an overview of the Library's structural budget challenges, the historical funding analysis, statutory considerations, and a recommended approach for the 2027 budget. This memo serves as an update on the continued collaborative work between City staff and Library leadership as we refine long-term budget strategies and prepare for future funding decisions.

Ongoing Work with Library Administration

City and Library staff have continued to meet regularly to model potential budget scenarios, evaluate operational impacts, and develop a realistic implementation timeline for targeted reductions. These discussions align with the long-term goal presented previously: achieving a structurally balanced Library budget beginning in 2028.

The focus of the ongoing work is to identify sustainable cost reductions that can be implemented by mid-2027, preventing further reliance on fund balance and ensuring the Library is positioned for full budget stabilization in 2028.

Updated Budget Outlook

Staff have updated the 2027 projections based on the latest information:

- The Library is currently estimated to face a **budget deficit of approximately \$273,000** for 2027.
- Of this amount, **roughly \$93,000** is attributable to a temporary decrease in county funding. This reduction is directly related to circulation disruptions during the Library's renovation period. Circulation levels are now trending back toward pre-construction levels, and the associated county funding is expected to rebound in **2028**.
- Consistent with the inflationary analysis shared in July, staff continue to recommend adjusting the Library's general fund appropriation from **\$475,000 to \$530,000** for 2027.

Given these updates, and assuming the recommended appropriation increase is applied, the Library will still need to reduce expenditures by roughly **\$125,000** over the next year to fully balance the 2028 budget.

Approach for 2027

Staff recognize the importance of stabilizing the Library's budget ahead of the 2028 planning cycle. To assist with this, we continue to recommend:

- Increasing the 2027 appropriation to the inflation-adjusted level of **\$530,000**, and



www.whitewater-wi.gov
Telephone: 262-473-0500
Fax: 262-222-5903

Office of Finance
312 W. Whitewater St.
Whitewater, WI 53190

- Setting aside additional contingency funding in 2027 to help soften the budget gap while reductions are identified, vetted, and implemented.

Our target is to have all structural reductions fully implemented by July 1, 2027. This phased approach allows Library and City staff sufficient time to evaluate multiple options, minimize potential disruption to community services, and ensure that recommendations brought to the Library Board are operationally viable.

Next Steps

Library and City staff are evaluating smaller reductions that could take effect in late 2026 or early 2027 and working with Library leadership to refine the gap-funding estimate for 2027. These will be brought to the Library Board for review and approval prior to returning to the Finance Committee. Depending on how quickly we can review and validate proposed reductions we expect to bring this back to the Finance Committee in September or early October.

Conclusion

Staff will continue meeting with Library administration, refining implementation plans, and providing regular updates as we approach the fall budget discussions.

	Operational		Library		
	Levy	Referendum	Appropriation	% of Levy	Commodities
Whitewater	5,864,269	2,405,782	542,608	15.69%	110,625
Lake Geneva	7,581,229		802,443	10.58%	217,550
Jefferson	4,252,576	500,000	546,275	14.56%	56,950
Fort Atkinson	6,992,919	769,335	637,000	10.24%	183,650



Finance Committee Agenda Item

Meeting Date:	August 25 th , 2026
Agenda Item:	Starin Park Recreational Center fiber extension
Staff Contact (name, email, phone):	Cris Crane, CCrane@whitewater-wi.gov , 262-473-1364

BACKGROUND

The City and City IT services is tasked with providing internet to the various occupied City buildings. To do so, we use a few different methods, mainly fiber and point-to-point (PTP) wireless connections.

Primarily, the City utilizes a “dark” fiber network owned and operated by Win Technologies (WIN). Their network traverses the city, connecting City Hall to our Water and Streets Departments, as well as farther out buildings such as the Innovation Center and Whitewater Aquatic and Fitness Center. These fiber lines are used solely by the City.

Where it has not been feasible for the City or WIN to run fiber, the City has utilized PTP connections. Given a clear line of sight, these can provide a robust, secure, network connection between two places. PTP connections have generally been used to connect accessory buildings, such as the Armory, the Cravath Lakefront Building, and the Starin Park Recreational Center (SPRC), home to the Seniors in the Park (SITP) program.

When the PTP connection between our Water Department and the SPRC was installed, there was a clear line of sight between the two buildings. Over the last 10-15 years forestry improvements to the park, as well as general tree growth, has inhibited that line of sight. Internal monitoring has shown the link to be at best 60% efficient during the best of months. This causes regular bandwidth slowness, including the dropping of or inability to make phone calls on our phone system, an activity that requires very low bandwidth.

At the same time, the SITP program has only grown. They offer services such as virtual fitness and dance courses that rely upon the City’s internet connection. Since the SPRC primarily serves seniors, we also want to ensure that our phone system can maintain 100% uptime in the event of an emergency.

With all of that in mind, City IT services sought bids to bring a dedicated fiber line to the SPRC. Early on, it was determined that there were obstacles in the way that required us to run this fiber along the street as opposed to a direct line . The Water Department was chosen as the closest suitable point of demarcation (the starting point). IT services engaged with several partners, but settled on using our primary and preferred fiber vendor to do this work. WIN is able to provide access to existing ducts, conduit, and hand holes that would otherwise need to be duplicated in the work process. Additionally, they have knowledge of the fiber routes along Starin road, as well as being the original partner that brought fiber to the Water Department.

We now ask to move forward with this project as outlined in the attached quote estimate.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

With the passage of the 2026-2027 budget, council approved this upgrade project budgeted at a value of \$75,000. It was pared back to \$35,000 prior.

FINANCIAL IMPACT

Single quote for \$35,000, a one time fee for the labor and materials involved in bringing fiber to the SPRC.

STAFF RECOMMENDATION

Staff recommends moving forward with quote for \$35,000.

ATTACHMENT(S) INCLUDED

1. Win Technology's Quote



Technology Infrastructure

Services and Solutions Provider

WIN Technology

4955 Bullis Farm Road
Eau Claire, WI 54701
715-832-3750
wintechnology.com

Date: 5-4-2026
City of Whitewater



Our WIN Team is pleased to provide our quotation to you as follows:

Term	Circuit Size	MRC	Install
60 Month	2 – Strands Dark Fiber (1 pair)	\$200	\$35,000

A Location: Seniors in the Park 504 W Starin Rd. Whitewater WI 53190
Z Location: Whitewater Water Department 320 N Fremont St. Whitewater WI 53190

Notes from WIN

- 180 days estimated install
- All pricing subject to final engineering review
- Includes splicing on both ends by WIN for 2 fibers (1 pair)
- Subject to annual CPI increase
- The above quoted services are subject to the terms and conditions of the master services agreement and service request document executed between you and WIN technology and are exclusive of any applicable taxes, fees, and surcharges required by law or otherwise agreed to by you and WIN Technology



Finance Committee Agenda Item

Meeting Date:	August 25, 2026
Agenda Item:	City of Whitewater Antivirus Software
Staff Contact (name, email, phone):	Troy Seyfert, tseyfert@whitewater-wi.gov , 262-473-1391

BACKGROUND

As ransomware and other threats targeting municipal governments have increased, so has the need for advanced protection for our devices and network. This has prompted a complete review of our endpoint protection.

The City of Whitewater Information Technology Department currently uses ESET Endpoint Protection as its primary antivirus/endpoint detection and response solution. While ESET provides a reliable baseline endpoint protection against Malware, the City Information Technology Department sought demos from two additional vendors to ensure that our endpoints and network are protected in the best way possible.

With that information in mind, Information Technology sought demos from ESET, CrowdStrike and SentinelOne. Renewal quotes for all three vendors were received. We requested that the first year of each quote line up so that our renewal occurs in January 2028, forgoing a cost to the 2027 budget. The quotes were as follows:

- ESET - (15 months) \$34,389.25
- SentinelOne - (16 months) \$29,969.88, (40 months) \$69,641.54
- CrowdStrike - (16 months) \$34,135.55, (40 months) \$81,577.61

Our previous 3-year cost for ESET was \$41,649.80. However, as you can see above, they are significantly increasing their costs for the same level of service.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

N/A

FINANCIAL IMPACT

CrowdStrike 3-year quote for \$81,577.61. Year 1 (2026) - \$34,135.55; Year 2 (2028) - \$23,721.03; Year 3 (2029) - \$23,721.03

STAFF RECOMMENDATION

The recommendation is to move from ESET Endpoint Protection to CrowdStrike Falcon Complete. CrowdStrike was chosen based on their technical expertise, wide adoption among public sector clients and offering full cycle remediation. Also included with CrowdStrike Falcon Complete is a 1-million-dollar warranty for ransomware-related expenses. While this was not a requirement as we evaluated vendors, it demonstrates CrowdStrike's commitment to its customers, and confidence in their product.

ATTACHMENT(S) INCLUDED

1. CrowdStrike 3-year quote



Thank you for choosing CDW. We have received your quote.

Item 4.

Hardware Software Services IT Solutions Brands Research Hub

QUOTE CONFIRMATION

Pricing and Availability Notice

Due to ongoing supply chain challenges, some hardware manufacturers cannot guarantee product availability or pricing until the product is shipped. While we make every effort to honor quoted pricing, if a hardware manufacturer increases its price to CDW after a quote is issued or order is accepted, we may need to update your quoted price to reflect that change irrespective of any timeframes or validity periods set forth in the quote, including up to the date of shipment. In the event of a price adjustment, we will notify you prior to shipment. Any price adjustment would only occur if the hardware manufacturer increases its pricing to CDW.

TROY SEYFERT,

Thank you for considering CDW•G for your technology needs. The details of your quote are below. **If you are an eProcurement or single sign on customer, please log into your system to access the CDW site.** You can search for your quote to retrieve and transfer back into your system for processing.

For all other customers, click below to convert your quote to an order.

Convert Quote to Order

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
PZHS687	8/18/2026	PZHS687	4352685	\$81,577.61

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
CROWDSTRIKE FLCN CMPL+TG STD T3 16M Mfg. Part#: CS.FCSD.GOV.SOLN.T3.16M Year 1 - 16 Month Term Electronic distribution - NO MEDIA Contract: MARKET	300	9241306	\$102.95	\$30,885.00
Falcon Insight Endpoint Detection & Response - subscription license (16 mon Mfg. Part#: CS.INSIGHTB.SOLN.T5.16M Year 1 - 16 Month Term Electronic distribution - NO MEDIA Contract: MARKET	300	8267110	\$0.00	\$0.00
CROWDSTRIKE PREVENT T5 16MO Mfg. Part#: CS.PREVENTB.SOLN.T5.16M Year 1 - 16 Month Term Electronic distribution - NO MEDIA Contract: MARKET	300	9242449	\$0.00	\$0.00
Falcon Discover - subscription license (16 months) - 1 endpoint Mfg. Part#: CS.DISCB.SOLN.T5.16M Year 1 - 16 Month Term Electronic distribution - NO MEDIA Contract: MARKET	300	6843078	\$0.00	\$0.00

QUOTE DETAILS (CONT.)

<u>Falcon Complete on GovCloud - subscription license (16 months) - 1 endpoint</u>	300	7981394	\$0.00	\$0.00
Mfg. Part#: CS.FALCOMPSGOV.SVC.16M Year 1 - 16 Month Term Electronic distribution - NO MEDIA Contract: MARKET				
<u>CROWDSTRIKE FLCN ADVERSARY OW EP 16M</u>	300	9241663	\$0.00	\$0.00
Mfg. Part#: CS.AOW.SVC.T3.16M Year 1 - 16 Month Term Electronic distribution - NO MEDIA Contract: MARKET				
<u>CrowdStrike Threat Graph Standard on GovCloud - subscription license (16 mo</u>	300	6810134	\$0.00	\$0.00
Mfg. Part#: CS.TG.STD.GOV.16M Year 1 - 16 Month Term Electronic distribution - NO MEDIA Contract: MARKET				
<u>CrowdStrike 16-Month Express Support</u>	1	5197492	\$3,250.55	\$3,250.55
Mfg. Part#: RR.HOS.ENT.EXPS.16M Year 1 - 16 Month Term Electronic distribution - NO MEDIA Contract: MARKET				
<u>CrowdStrike 12-Month Falcon Complete with Threat Graph Standard on GovCloud</u>	300	6765357	\$71.54	\$21,462.00
Mfg. Part#: CS.FCSD.GOV.SOLN.T3.12M Year 2 - 12 Month term Electronic distribution - NO MEDIA Contract: MARKET				
<u>CrowdStrike 12-Month Insight - Bundled Software Subscription</u>	300	5441170	\$0.00	\$0.00
Mfg. Part#: CS.INSIGHTB.SOLN.T5.12M Year 2 - 12 Month term Electronic distribution - NO MEDIA Contract: MARKET				
<u>CrowdStrike 12-Month Prevent - Bundled Software Subscription</u>	300	5441174	\$0.00	\$0.00
Mfg. Part#: CS.PREVENTB.SOLN.T5.12M Year 2 - 12 Month term Electronic distribution - NO MEDIA Contract: MARKET				
<u>CrowdStrike 12-Month Discover - Bundled Software Subscription</u>	300	5441177	\$0.00	\$0.00
Mfg. Part#: CS.DISCB.SOLN.T5.12M Year 2 - 12 Month term Electronic distribution - NO MEDIA Contract: MARKET				
<u>Falcon Complete - subscription license (1 year) - 1 license</u>	300	6663518	\$0.00	\$0.00
Mfg. Part#: CS.FALCOMPSGOV.SVC.12M Year 2 - 12 Month term Electronic distribution - NO MEDIA Contract: MARKET				
<u>Falcon Adversary Overwatch - subscription license (1 year) - 1 endpoint</u>	300	7915202	\$0.00	\$0.00
Mfg. Part#: CS.AOW.SVC.T3.12M				

QUOTE DETAILS (CONT.)

Year 2 - 12 Month term
Electronic distribution - NO MEDIA
Contract: MARKET

<u>CrowdStrike 12-Month Threat Graph Standard on GovCloud Software</u>	300	5486316	\$0.00	\$0.00
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Mfg. Part#: CS.TG.STD.GOV.12M
Year 2 - 12 Month term
Electronic distribution - NO MEDIA
Contract: MARKET

<u>CrowdStrike 12-Month Express Support</u>	1	4915958	\$2,259.03	\$2,259.03
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Mfg. Part#: RR.HOS.ENT.EXPS.12M
Year 2 - 12 Month term
Electronic distribution - NO MEDIA
Contract: MARKET

<u>CrowdStrike 12-Month Falcon Complete with Threat Graph Standard on GovCloud</u>	300	6765357	\$71.54	\$21,462.00
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Mfg. Part#: CS.FCSD.GOV.SOLN.T3.12M
Year 3 - 12 Month term
Electronic distribution - NO MEDIA
Contract: MARKET

<u>CrowdStrike 12-Month Insight - Bundled Software Subscription</u>	300	5441170	\$0.00	\$0.00
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Mfg. Part#: CS.INSIGHTB.SOLN.T5.12M
Year 3 - 12 Month term
Electronic distribution - NO MEDIA
Contract: MARKET

<u>CrowdStrike 12-Month Prevent - Bundled Software Subscription</u>	300	5441174	\$0.00	\$0.00
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Mfg. Part#: CS.PREVENTB.SOLN.T5.12M
Year 3 - 12 Month term
Electronic distribution - NO MEDIA
Contract: MARKET

<u>CrowdStrike 12-Month Discover - Bundled Software Subscription</u>	300	5441177	\$0.00	\$0.00
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Mfg. Part#: CS.DISCB.SOLN.T5.12M
Year 3 - 12 Month term
Electronic distribution - NO MEDIA
Contract: MARKET

<u>Falcon Complete - subscription license (1 year) - 1 license</u>	300	6663518	\$0.00	\$0.00
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Mfg. Part#: CS.FALCOMPSGOV.SVC.12M
Year 3 - 12 Month term
Electronic distribution - NO MEDIA
Contract: MARKET

<u>Falcon Adversary Overwatch - subscription license (1 year) - 1 endpoint</u>	300	7915202	\$0.00	\$0.00
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Mfg. Part#: CS.AOW.SVC.T3.12M
Year 3 - 12 Month term
Electronic distribution - NO MEDIA
Contract: MARKET

<u>CrowdStrike 12-Month Threat Graph Standard on GovCloud Software</u>	300	5486316	\$0.00	\$0.00
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Mfg. Part#: CS.TG.STD.GOV.12M
Year 3 - 12 Month term
Electronic distribution - NO MEDIA
Contract: MARKET

QUOTE DETAILS (CONT.)

Item 4.

[CrowdStrike 12-Month Express Support](#)

1

4915958

\$2,259.03

\$2,259.03

Mfg. Part#: RR.HOS.ENT.EXPS.12M

Year 3 - 12 Month term

Electronic distribution - NO MEDIA

Contract: MARKET

SUBTOTAL \$81,577.61**SHIPPING** \$0.00**SALES TAX** \$0.00**GRAND TOTAL** **\$81,577.61****PURCHASER BILLING INFO****Billing Address:**CITY OF WHITEWATER
ACCTS PAYABLE
312 W WHITEWATER ST
WHITEWATER, WI 53190-1940**Phone:** (262) 473-0500**Payment Terms:** VISA**DELIVER TO****Shipping Address:**CITY OF WHITEWATER
TROY SEYFERT
312 W WHITEWATER ST
WHITEWATER, WI 53190-1940**Phone:** (262) 473-0500**Shipping Method:** ELECTRONIC DISTRIBUTION**Please remit payments to:**CDW Government
75 Remittance Drive
Suite 1515
Chicago, IL 60675-1515**Sales Contact Info****Mike Elliott** | (877) 459-7057 | mike.elliott@cdwg.com

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Finance Committee Agenda Item

Meeting Date:	August 25, 2026
Agenda Item:	Housing Study Update
Staff Contact (name, email, phone):	Mason Becker, mbecker@whitewater-wi.gov

BACKGROUND

(Enter the who, what when, where, why)

Community Development Department staff have internally been exploring the potential for residential development in additional areas of the City of Whitewater, including the privately owned land immediately west of Whitewater High School and the City-owned parcel located at the end of E Main St, near Provisur. At times there have been discussions with private developers regarding these locations, though no plans are currently being considered.

There have been previous discussions about the viability of residential development on either of these sites. It should be noted that any residential development on either site will require a rezoning. Both sites have high bedrock, identified by soil borings, which will bring additional cost to any project brought forward at either location.

Staff wish to have an updated housing study done to evaluate the current market for both rentals and owner-occupied housing in the City, as well as specifically reviewing these two properties. As part of their analysis, Tracy Cross will evaluate what types of housing and product mix would be appropriate at these locations, and also the viability of “slab on grade” home construction (without basements) due to the challenge of high bedrock.

As Tracy Cross & Associates completed the last study, and this is an update to that study, staff did not solicit other quotes.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

- N/A

FINANCIAL IMPACT

(If none, state N/A)

Total cost of the Housing Study Update is \$16,500. This will be funded through funds held within TID #13 and #10.

STAFF RECOMMENDATION

Recommend the Finance Committee make a positive recommendation to the Common Council for approval of this Housing Study Update.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

- Proposal from Tracy Cross & Associates
- Previous 2023 Housing Study



TRACY CROSS & ASSOCIATES, INC.
REAL ESTATE MARKET ANALYSIS

August 17, 2026

Mr. Mason Becker / Community Development Director
Mr. John Weidl / City Manager
City of Whitewater
312 W. Whitewater Street
Whitewater, WI 53190

Re: Service Agreement No. 9251-F (Revision No. 2)

Gentlemen:

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

I. Services

Cross will provide selected research and consulting services to determine the highest-and-best market-driven residential development opportunities throughout the city of Whitewater, Wisconsin. Specifically, *Cross will update its previous housing studies* in order to provide refreshed strategic planning guidelines for the introduction (and sustainability) of new construction housing alternatives throughout the municipality. In meeting this goal, the objectives of our analysis are:

- ☐ To determine (update) the depth of the market for residential development in the city of Whitewater over the next 5-10 years. This evaluation will be based upon economic, demographic, socio-economic and residential construction trends throughout southeast Wisconsin as a whole, with focused attention upon the city of Whitewater.
- ☐ To forward conclusions regarding the marketability of all forms of housing throughout the city in order to meet the needs/demands of area residents (current and future); fill voids that exist in the marketplace; and address future growth initiatives. Investigative uses will include but not be limited to multifamily apartments and other rental housing idioms, as well as for sale/ownership products in the form of single family residences and duplex/villa/townhome/condominium units – focusing upon all age groups, i.e., ranging from younger profiles through active adults aged 55+. These conclusions will be based upon depth of market in each residential sector and consumer segment, and the alignment of residential developments, both existing and planned.
- ☐ To offer specific (and updated) design, product and pricing recommendations for those housing forms that are viewed to have measurable market support now and into the future. These recommendations will address total unit count potentials, product criteria, plan types and sizes, unit mix, parking requirements, etc., along with benchmark rental rate/price point guidelines viewed as necessary to attain acceptable levels of sales or absorption.

Note: as a key component of our updated product/pricing recommendations, Cross will provide detailed planning guidelines for the 65-acre vacant site adjacent to the high school, focusing on the highest-and-best for sale/ownership housing uses within the site, along with a possible (and likely) component of rental housing. In doing so, Cross will also provide details regarding the overall market feasibility of both slab-on-grade and basement construction for selected housing products. Cross will also address the slab-on-grade scenario for potential single family housing development within another 11-acre site near E. Main Street and Bluff Road.

- ☐ Additive to the criteria for the 65-acre site next to the high school and the 11-acre property near E. Main Street and Bluff Road, Cross will also offer a geographic positioning strategy for the introduction of other new housing products throughout the city focusing on those areas viewed most suitable for the recommended housing forms over the next 5-10 years.
- ☐ To offer specific action items necessary for implementing all recommendations such as builder/developer selection and insight; priority ranking of opportunities; how to bring product to market, implications on Whitewater's current land use plan, zoning codes, etc.

II. Process, Timing and Deliverables

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

Phase One Project Start/Data Collection/Analysis:

- ☐ Conduct a kick-off meeting or videoconference with Client to confirm assignment parameters and discuss items related to overall scope, the 65-acre priority site, etc.
- ☐ Conduct a thorough "on the ground" market investigation to determine/re-establish geographic boundaries of the local study area and identify factors likely to affect housing demand throughout the city. As a part of this evaluation, Cross will conduct a full site analysis on the 65-acre property near the high school.
- ☐ Collect secondary employment and residential construction data and condense regional analyses into an operating perspective of the defined study area.
- ☐ Conduct a comprehensive demographic analysis of the defined study area focusing upon its household base in terms of age segment, size, composition, incomes, etc.
- ☐ Based upon our experience throughout southeast Wisconsin and Whitewater in particular, determine who are/will be the target consumer groups for residential development within the municipality. Measure the depth of these market segments based upon their income, lifestyle, current choice of housing, and propensity to move.
- ☐ Conduct an audit of selected new construction residential developments in the defined market area (and surrounding areas) which may serve as a source of competitive or comparable influence including apartments, single family homes, townhomes, duplexes, villas, condominiums, etc. This audit will address model offerings, unit size, bedroom/bath ratios, rent/price/value positioning, occupancy/absorption, sales trends, and other pertinent factors.
- ☐ Conduct a thorough analysis of the existing home market, i.e. resale sector, to evaluate its potential influence on future new construction development.
- ☐ Examine projects in the planning pipeline/under construction which may pose some degree of future competitive influence.
- ☐ Develop a demand forecast for residential development in the defined study area, focusing upon Whitewater and its capture potential by product type and rent/price range.
- ☐ Conduct *case study* analyses (as applicable) of "like" growth initiatives in other "similar" markets throughout the Midwest (and the state of Wisconsin in particular) to evaluate product, performance levels, implementation, strategies, etc.

Phase Two Report Submission and Review:

- ☐ Within eight (8) weeks of Client's execution of contract and receipt of contract deposit, as outlined in Section III, Cross will provide a written draft report highlighting market assessments and detailed conclusions/recommendations. ***This analysis will provide all the tools necessary for the Client to make "informed" business decisions regarding the overall market/demand potential for various housing options in the city of Whitewater (and the 65-acre subject property in particular) and the specific direction that should be taken throughout the municipality.***
- ☐ Following submission of the draft, Cross will conduct a meeting or videoconference with Client and other selected stakeholders to review findings of the report and answer any questions regarding market potential, demand, recommendations, etc.
- ☐ Upon completion of the meeting/videoconference/review session, Cross will incorporate comments/modifications (as appropriate) and submit a final report.

III. Fee Structure

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

<i>At Contract Signing</i>	<i>\$10,750</i>
<i>Upon Completion of Phase Two Report</i>	<i><u>\$5,750</u></i>
Total:	\$16,500

Note: the fee structure outlined above has been discounted by 20 percent from the cost of the original housing study (and Cross' typical price for a study of this magnitude). This discount considers our previous work performed for the City of Whitewater and our longstanding relationship with the municipality.

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

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

IV. Authority to Act/Payment of Fees and Expenses

The undersigned hereby acknowledges that he/she has authority to accept and enter into an agreement with Cross on behalf of the Client, and further promises and agrees to pay all invoices for fees, costs and expenses when due, including but not limited to all collection costs, attorney's fees and other related costs incurred in enforcing any of Cross' rights hereunder. ***All payments are due within fifteen (15) days of receipt of invoice.***

V. Entire Agreement/Choice of Forum

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

VI. Approval and Acceptance

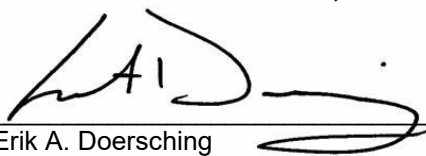
If this agreement is acceptable to you, please sign and return one executed contract ***together with the \$10,750 contract deposit*** as outlined in Paragraph III above.

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

TRACY CROSS & ASSOCIATES, INC.

CLIENT: CITY OF WHITEWATER

By:



Erik A. Doersching
Its: President & CEO

By:

Mason Becker or John Weidl

Date: August 17, 2026

Date: _____

Residential Market Analysis
-- Strategy Planning Guidelines --
Whitewater, Wisconsin

Prepared on behalf of:

Cedar Corporation
1695 Bellevue Street
Green Bay, WI 54311

June 30, 2023



TRACY CROSS & ASSOCIATES, INC.
REAL ESTATE MARKET ANALYSIS
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TRACY CROSS & ASSOCIATES, INC.
REAL ESTATE MARKET ANALYSIS

INTRODUCTION

At the request of Cedar Corporation, *and on behalf of the City of Whitewater*, Tracy Cross & Associates, Inc. evaluated the market potential for conventional residential development in Whitewater, Wisconsin. Specifically focusing upon new construction market rate housing opportunities throughout the municipality, this analysis establishes the following:

- ☐ Conclusions regarding the depth of market for new housing development throughout Whitewater based upon pertinent economic, demographic, and residential trends which define the marketplace.
- ☐ Conclusions regarding highest-and-best residential uses within the city over the next 5+ years. These conclusions are based upon factors associated with the location of Whitewater, depth of market, demographic and socio-economic characteristics of existing and future households, and the alignment of residential developments, both existing and planned.
- ☐ Detailed recommendations regarding those conventional housing forms viewed to hold measurable market support near- to mid-term. Investigative uses range from multifamily rental apartments to all forms of for sale housing such as condominiums, townhomes/rowhomes, single family, etc. These recommendations address specific product types, plan styles/sizes, features/amenities, etc., along with benchmark rent/pricing strategies necessary to achieve acceptable levels of absorption. Please note that these recommendations will focus on all segments of the conventional market ranging from younger (entry level) profiles to active adult (55+) households.
- ☐ A detailed development matrix outlining the most marketable mix of residential uses in order to facilitate/inform future planning efforts, architecture, financial modeling, approvals, marketing, builder/developer participation, etc.
- ☐ A geographic positioning strategy for the introduction of new housing development in Whitewater.

WORK PLAN

The work plan for this assignment involved a series of inter-related research investigations as summarized below:

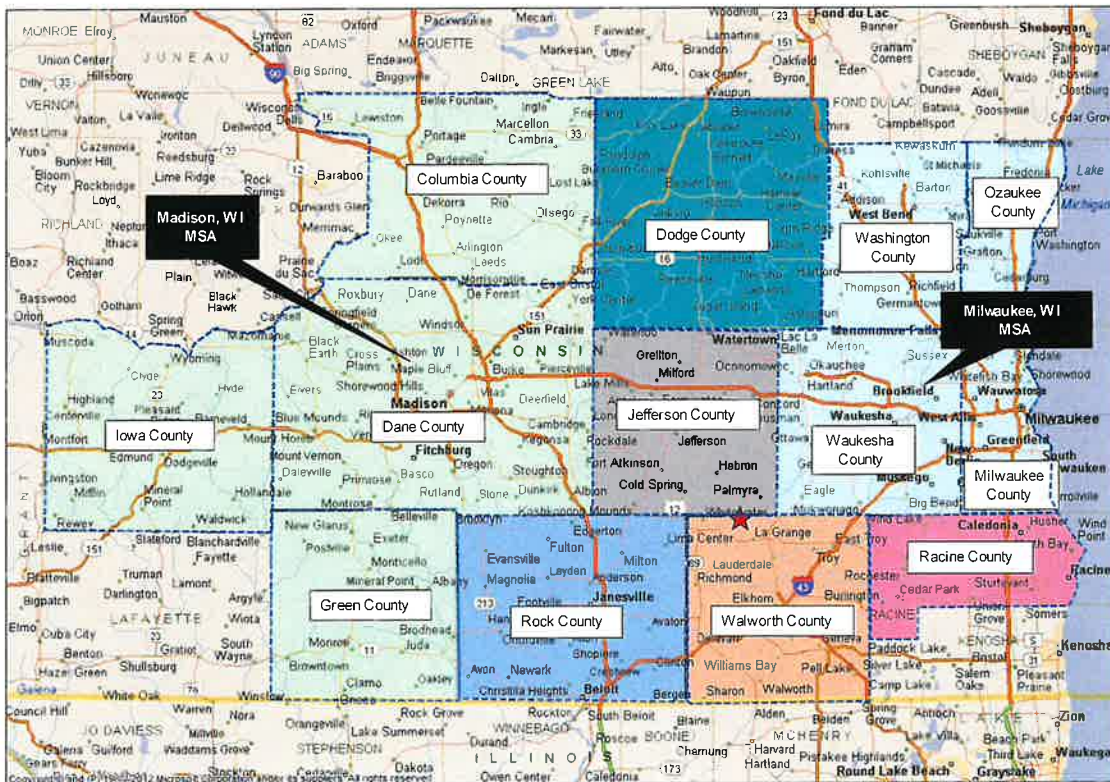
- ☐ A thorough investigation of Whitewater and surrounding areas to determine geographic boundaries of the local market area; identify factors which may impact residential potentials within the municipality; and examine areas that may be suitable for residential development.
- ☐ A detailed analysis of all relevant employment, demographic, and residential trends/statistics including a comprehensive evaluation of key socio-economic and income variables of area households.
- ☐ A thorough assessment of both the rental apartment and for sale sectors of the local housing market (and adjoining areas as applicable).
- ☐ A demand forecast for residential development in and around Whitewater over the next 5+ years.
- ☐ A case study evaluation of "like" residential initiatives throughout similar markets in the Midwest in order to assess trends, products, performance levels, etc.

**Residential Market Analysis
Cedar Corporation
Strategy Planning Guidelines
Whitewater, WI**

WHITEWATER, WISCONSIN

Whitewater is a self-contained city situated in southern Wisconsin straddling the Jefferson County/Walworth County line. It is located between the four-county Milwaukee, WI Metropolitan Statistical Area (MSA) and the four-county Madison, WI MSA. It is also proximate to both Rock County to the southwest and Racine County to the southeast. One of the driving forces behind Whitewater's economy is the University of Wisconsin-Whitewater with a total enrollment of nearly 10,500 students and over 2,300 full-time employees. According to estimates by Environics Analytics through its review of Census data and the Census Bureau's American Community Surveys, the city of Whitewater currently supports an overall population base of 15,032 persons distributed among 4,867 households, although these figures drop by +/-40 percent once Census-counted students are excluded from the estimates.

GEOGRAPHIC DELINEATION OF WHITEWATER AND SURROUNDING AREAS



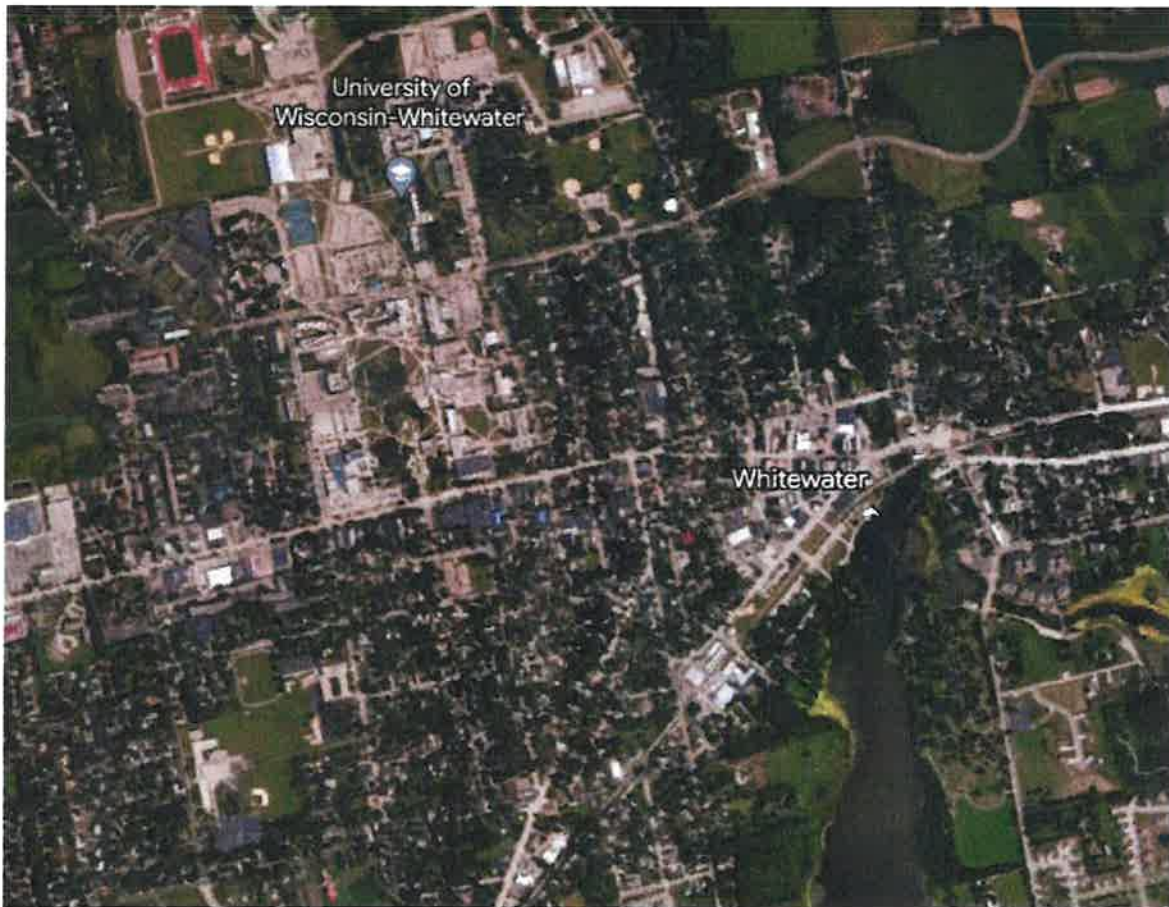
Source: Microsoft Streets & Trips and Tracy Cross & Associates, Inc.

Whitewater maintains a quaint, yet vibrant downtown area with shops, services, eateries, night spots, civic venues, concentrations of employment, and open space. Feathering out from the downtown area in all directions are the UW-Whitewater campus; various residential neighborhoods; additional shopping and services; various employment centers; and local public schools. Referencing the local school system, three public elementary schools, one middle school and one high school are represented within the Whitewater Unified School District. Lakeview Elementary School, Lincoln Elementary School, Whitewater Middle School and Whitewater High School recently received accountability scores that earned them all a "meets expectations" ranking from the Wisconsin Department of Public Instruction. Washington Elementary School, however, earned an "Exceeds Expectations" ranking based upon recent accomplishments and test scores.

**Residential Market Analysis
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Whitewater, WI**

As mentioned, Whitewater is a “college town” with the University of Wisconsin-Whitewater located just northwest of the downtown area. UW-Whitewater is a public institution founded over 150 years ago. Undergraduate enrolment totals nearly 8,800, with another 1,700+/- graduate students represented. The campus size is roughly 400 acres. UW-Whitewater offers a wide range of degree programs through its College of Arts and Communications; Business and Economics; Education and Professional Sciences; and Letters and Sciences divisions. It also offers master’s degrees in about a dozen fields. Students at UW-Whitewater can join more than 170 campus organizations, 15+ fraternities and sororities, and student government. Student athletes can play at the intramural, club or varsity levels. At the varsity level, more than 20 teams are members of the NCAA Division III Wisconsin Intercollegiate Athletic Conference (WIAC).

UW-Whitewater recently received a Top 50 ranking (among all regional universities throughout the entire Midwest) from U.S. News.



The city of Whitewater is well-served by local and regional transportation systems, primarily US-12, which is accessible within minutes from most points within the city. This highway connects with Interstate 43 in East Troy roughly 17 miles to the east which, in turn, provides linkage to the Milwaukee metropolitan region. To the west, US-12 runs through Fort Atkinson and Cambridge, where it connects with US-18 leading to the Madison metropolitan area. In addition, WI-59, which also traverses Whitewater, provides access to the western suburbs of Milwaukee to the northeast and the Janesville area of Rock County to the southwest.

**Residential Market Analysis
Cedar Corporation
Strategy Planning Guidelines
Whitewater, WI**

Residentially (and excluding student-based housing at the university), the city of Whitewater is characterized by an aging housing stock. Specifically, over 76 percent of all housing units within the municipality were constructed prior to 2000 including 50 percent prior to 1980. In addition, according to the Census Bureau's C-40 construction reports, less than 20 new dwelling units, on average, have been built annually in Whitewater over the last five years.

HOUSING POTENTIALS

Based upon a detailed analysis of those economic, demographic, residential and demand-related variables expected to influence the introduction of new housing in Whitewater over the next several years, *opportunities do exist* for properly positioned conventional product. This favorable conclusion is supported by the following key factors, which lay the foundation for the recommendations that follow:

- ❑ Despite the limited amount of new construction housing development in the city of Whitewater over the past five years (as measured by residential building permit activity), there are clear market indicators that new housing products are needed in and around the municipality – and that the strategic positioning of new residential offerings throughout the city of Whitewater could help satisfy demand both internally and within a broader market area. From a very practical standpoint, future housing development will derive its demand support from both the host city of Whitewater and from nearby areas within a reasonable distance of the municipality, i.e., within a 15-mile radius. Defined for the purposes of this analysis as the Whitewater Market Area, a sizeable population base of 108,429 (excluding Census-counted college students) is reflected within a 15-mile radius of Whitewater, distributed among some 42,720 households. This area includes portions of Walworth, Jefferson, Rock and Waukesha counties and primarily the communities of Whitewater, Fort Atkinson, Palmyra, Jefferson, Milton, Elkhorn, Hebron, Sullivan and Eagle, along with several other smaller jurisdictions and unincorporated areas. As highlighted in the following table, household additions in the defined Whitewater Market Area were generally healthy during the 2010-2020 period totaling 1,915, or 197 yearly. And, while not immune to recent Covid-19 pandemic, the market area still recorded positive household gains between 2020 and 2023, i.e., 453 total or 151 per year. Moreover, household growth in the Whitewater Market Area over the next five years will total another 1,277 new households, or 255 annually. As a result, the market area will approach the 44,000-household level by 2028.

POPULATION AND HOUSEHOLD TRENDS WHITEWATER MARKET AREA

Area	2010	2020	2023 (Estimate)	2028 (Projected)	Average Annual Change		
					2010 - 2020	2020 - 2023	2023 - 2028
Population							
Whitewater Market Area	105,774	107,845	108,429	109,912	+207	+195	+297
Households							
Whitewater Market Area	40,352	42,267	42,720	43,997	+192	+151	+255

Source: U.S. Census Bureau, Environics Analytics and Tracy Cross & Associates, Inc.

**Residential Market Analysis
Cedar Corporation
Strategy Planning Guidelines
Whitewater, WI**

- Relative to households by age classification, not only is there a rather large base of existing households in most of the market area's various age categories, but all segments show growth over the next five years – led by those households between the ages of 65 and 74.

**HOUSEHOLD GROWTH BY AGE GROUP
-- WHITEWATER MARKET AREA --**

Age Range	Whitewater Market Area	
	2023	2028
Under 35	7,855	8,102
35-44	6,386	6,420
45-54	7,038	7,087
55-64	8,540	8,599
65-74	7,516	8,153
75-84	3,862	4,009
85 and over	1,523	1,627
Total	42,720	43,997

Source: Environics Analytics: 2023 Demographic Snapshot

- The current composition of area households lends additional support to the development of a variety of residential product forms throughout the Whitewater Market Area. As highlighted in the adjacent table, there is an ample number of one- and two-person households for both market rate (non-student oriented) rental housing and for sale attached products such as duplexes, condominiums and/or townhomes, and also a significant number of three- and four-person households for certain attached for sale housing products as well as single family detached residences.

Most notable among all household classifications are one- and two-person occupied housing units which, together, comprise 63.5 percent of the market area's total household base.

**2023 COMPOSITION OF AREA HOUSEHOLDS:
WHITEWATER MARKET AREA**

Attribute	Whitewater Market Area
Total Households	42,720
1-Person Household	11,008
2-Person Household	16,119
3-Person Household	6,676
4-Person Household	5,182
5-Person Household	2,206
6 or More Person Household	1,529
1 Person Households	
Percent	25.8
Number	11,008
2 Person Households	
Percent	37.7
Number	16,119

Source: Environics Analytics; 2023 Demographic Snapshot

**Residential Market Analysis
Cedar Corporation
Strategy Planning Guidelines
Whitewater, WI**

- Households in the Whitewater Market Area support slightly higher incomes than the nation as a whole as evidenced by an estimated 2023 median of \$77,314, a level 7.6 percent above the \$71,852 median noted for the United States. *Upon close examination of area incomes in the host market area, 53 percent of all current households earn between \$35,000 and \$124,999 annually, which represents the mainstream of the market, i.e., those earning between 50 and 150+ percent of the market area's median. This signifies the threshold of the market and a target point where new housing should, for the most part, be directed.*

**HOUSEHOLDERS BY AGE AND INCOME: 2023
-- WHITEWATER MARKET AREA --**

Income Range	Number of Households by Age of Householder							
	Total Households	Under 35	35 - 44	45 - 54	55 - 64	65 - 74	75 - 84	85 and Over
Under \$15,000	2,748	879	106	204	398	545	388	228
15,000 - 24,999	2,606	592	154	220	395	526	446	273
25,000 - 34,999	3,804	809	361	344	488	856	671	275
35,000 - 49,999	4,518	698	520	509	745	1,096	680	270
50,000 - 74,999	7,076	1,630	1,036	918	1,176	1,401	681	234
75,000 - 99,999	6,123	1,140	1,017	1,162	1,427	938	339	100
100,000 - 124,999	5,009	784	1,079	1,060	1,111	683	243	49
125,000 - 149,999	3,865	553	765	895	985	463	165	39
150,000 - 199,999	3,577	533	828	795	828	441	120	32
200,000 and Over	3,394	237	520	931	987	567	129	23
Total	42,720	7,855	6,386	7,038	8,540	7,516	3,862	1,523
Median	\$77,314	\$63,832	\$99,988	\$103,643	\$93,499	\$62,001	\$43,657	\$34,435

Sources: U.S. Bureau of the Census; Environics Analytics; and Tracy Cross & Associates, Inc.

- Residentially, the Whitewater Market Area has recorded an average of 229 building permits annually since 2000 ranging from a recessionary-impacted low of 56 units in 2012 to a high of 595 units in 2002 (see **Exhibit 1**). Most recently, the market area registered an average of 182 residential permit authorizations annually during the five-year period from 2015 through 2019 period (prior to the pandemic), up 60.4 percent compared to average annual volumes posted during the five years prior, albeit still well below construction volumes realized during the 2000-2007 period when more ample supply was available and market conditions were stronger.

Of particular note is the fact that home building activity within the Whitewater Market Area regressed during the 2020-2022 period with just 85 units permitted annually market-wide, a drop of more than 50 percent compared to the pace set between 2015 and 2019. This resulted primarily from a building hiatus during a portion of the pandemic, coupled with supply chain issues which caused a dramatic increase in construction costs. All told, the limited amount of new residential construction recently is having a significant impact on the housing market today, a housing market where demand is exceeding supply. This will be emphasized in more detail later in this report.

- Despite the recent decline in residential construction, new housing is entering the market, albeit at a slower pace than it should. With this said, the current amount of new home construction that is occurring, coupled with positive levels household growth recently, has been fostered by economic activity in the three primary counties that encompass/surround the defined market area. While one cannot discount the effect that the Great Recession had on the area's economy, along with the recent Covid-19 pandemic, employment growth throughout the combined area of Jefferson, Rock

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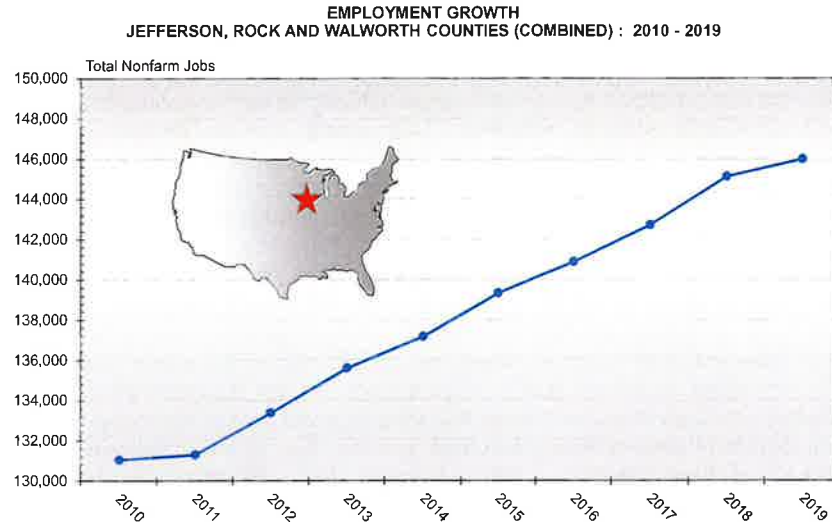
RESIDENTIAL BUILDING PERMIT TRENDS
WHITEWATER MARKET AREA
2000 - 2022

Year	Total	Single Family	Multi- Family
2000	445	257	188
2001	391	199	192
2002	595	245	350
2003	505	335	170
2004	573	390	183
2005	431	358	73
2006	313	225	88
2007	234	133	101
2008	145	89	56
2009	121	71	50
2010	63	52	11
2011	67	38	29
2012	56	38	18
2013	84	56	28
2014	90	48	42
2015	196	78	118
2016	151	117	34
2017	216	125	91
2018	170	136	34
2019	175	121	54
2020	110	94	16
2021	76	70	6
2022	69	61	8
Averages			
2000 - 2022	229	145	84

Source: U.S. Department of Commerce, Bureau of the Census: *C-40 Construction Reports*

**Residential Market Analysis
Cedar Corporation
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Whitewater, WI**

and Walworth counties was strong during the 2010-2019 period. For example, after losing roughly 6.0 percent of its total nonagricultural wage and salary employed workforce from 2007 through 2009 (the heart of the Great Recession), the three-county area saw its job rosters increase by 14,953 total workers during the subsequent 2010-2019 period, or 1,661 annually.



Source: U.S. Department of Labor, Bureau of Labor Statistics

- ❑ More recently, the three-county area, like practically every part of the country, was affected by the coronavirus pandemic and ensuing economic constraints, compounded by lockdowns and periods of social unrest. Specifically, in 2020, the three selected counties experienced year-over-year job losses of 7,865 or 5.4 percent of total nonfarm employment, which compares with the 5.8 percent contraction witnessed nationwide during the same 12-month period. On a more positive note, however, the three-county area's economic recovery was in full swing in 2021 and 2022 – *erasing most of the job losses experienced during the pandemic.*
- ❑ Fostered by a stable economy, and on the heels of expected household growth, construction requirements for new housing in the Whitewater Market Area will average 400 units annually during the 2023-2028 timeframe. This 400-unit forecast can be tied specifically to household growth levels estimated at 255 per annum through 2028, along with 145 units representing the replacement of residences lost to demolition and abandonment and the need to provide a vacancy allowance for filtering or movement from one residence to another. Of the 400 units which could be constructed annually within the market during the 2023-2028 forecast period, 225 will occur among for sale housing forms with 175 represented in the rental apartment sector. As detailed in the adjacent text table, for sale housing demand will be distributed among 150 single family detached homes and 75 in the attached sector, i.e., duplexes, condominiums, and townhomes.

**RESIDENTIAL ABSORPTION POTENTIALS BY PRODUCT TYPE
-- WHITWATER MARKET AREA --
2023 - 2028**

Product Type	Annual	Total Through 2028
Total	400	2,000
For Sale	225	1,125
Single Family Detached	150	750
Townhome/Duplex/Condominium	75	375
For Rent	175	875

Source: Tracy Cross & Associates, Inc.

**Residential Market Analysis
Cedar Corporation
Strategy Planning Guidelines
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- ❑ Given supply-side constraints throughout the market (which will be discussed in the following sections of the report), it is highly likely that demand will exceed supply near term, especially in the for sale sector, but also among multifamily rental forms as well. This market reality represents an opportunity for conventional housing initiatives across the market area (and Whitewater in particular), if properly planned and executed.
- ❑ Moreover, not only is "derived demand" likely to outstrip supply near term, but the overall base of residential construction requirements could actually be *higher* during any given year where properly positioned supply is made available. This *upside potential* factors pent-up demand; additional household growth if properly positioned development were actually to occur; the limited amount of new construction housing alternatives throughout the market (again, to be discussed later); and spillover potentials from areas outside the defined market area.
- ❑ Conditions in the competitive marketplace also point to *new construction* development opportunities, and fully signify the supply-side constraints that exist. For instance, in the rental sector (and excluding all student-oriented housing serving UW-Whitewater), just six apartment communities (of relative scale) have been constructed in the entire Whitewater Market Area since 2000, yet there are over 8,000 "non-student" renter households within a 15-mile radius of Whitewater. As such, current renter households have limited new product to choose from. The six newer developments, which are located in either the city of Whitewater itself or in Elkhorn to the southeast, include Lakeside Townhomes (28 Units), Springbrook (44 units), Waters Edge (48 units), Market Street Village (66 units), Meadow Blossom (112 units) and Bluff Ridge (120 units). As highlighted in the following text table, these six communities are all 100 percent occupied with waiting lists. With no current vacancies at any of the surveyed developments, the local conventional apartment market is considered *extremely tight and undersupplied*. For reference, in a normal (or balanced) market, vacancies of 5.0 to 6.0 percent are typically required for filtering, or movement between developments.

**CONVENTIONAL APARTMENT COMMUNITIES OF REASONABLE SCALE CONSTRUCTED IN 2000 OR LATER
WHITEWATER MARKET AREA
JUNE 2023**

Development	Municipality	Year Built	Total Units	Number Vacant	Percent Vacant	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
							\$	\$/Sq. Ft.
Lakeside Townhomes	Whitewater	2014	28	0	0.0	1,670	\$1,600	\$0.96
Springbrook ⁽¹⁾	Whitewater	2008	44	0	0.0	806	1,363	1.69
Water's Edge	Whitewater	2008	48	0	0.0	1,057	1,290	1.22
Bluff Ridge	Whitewater	2005	120	0	0.0	1,360	1,387	1.02
Main Street Village	Elkhorn	2003	66	0	0.0	1,238	1,334	1.08
Meadow Blossom	Elkhorn	2001	112	0	0.0	1,163	1,033	0.89
Total/Weighted Avg.	---	---	418	0	0.0	1,216	\$1,284	\$1.06

⁽¹⁾ May get one or two students a year, but is not a student-oriented community.

Source: Tracy Cross & Associates, Inc.

**Residential Market Analysis
Cedar Corporation
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- ☐ Just outside the defined Whitewater Market Area, similar market conditions exist. For example, expanding the competitive market area to include communities such as Cambridge, East Troy, Lake Mills, Mukwonago, and Whales, just 10 apartment communities of a larger scale, i.e., 50 more total units each, have been constructed since 2000 in this broad geographic area. Among these, the current vacancy rate stands at just 0.2 percent among stabilized developments with most communities, again, at 100 percent occupancy with waiting lists. In addition, the newest community in the market, which is undergoing its initial absorption period, Summer Ridge in Lake Mills, is doing so at a healthy rate of 8.8 units per month.

**APARTMENT COMMUNITIES (OF LARGER SCALE) CONSTRUCTED IN 2000 OR LATER
EXPANDED WHITEWATER MARKET AREA
JUNE 2023**

Development	Municipality	Year Built	Total Units	Number Vacant	Percent Vacant (Absorption Rate In Units)	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
							\$	\$/Sq. Ft.
The Vineyards at Cambridge	Cambridge	2018	70	0	0.0	835	\$1,267	\$1.52
Honey Creek	East Troy	2006	274	0	0.0	1,027	1,277	1.24
Lofts at Honey Creek ⁽¹⁾	East Troy	2022	120	0	0.0	991	1,498	1.51
Wildwood	East Troy	2001	80	0	0.0	1,373	1,466	1.07
Pond View	Lake Mills	2004	60	1	1.7	1,250	1,300	1.04
Rock Creek	Lake Mills	2019	144	1	0.7	929	1,503	1.62
Summer Ridge ⁽²⁾	Lake Mills	2023	56	36	64.3(8.8/Mo.)	1,035	1,650	1.59
Lincolnshire Place	Wales	2015	100	0	0.0	1,059	1,520	1.44
Phantom Woods Estates	Mukwonago	2017	68	0	0.0	1,193	1,487	1.25
The Pointe	Mukwonago	2020	89	0	0.0	968	1,270	1.31
Total/Weighted Avg.	---	---	1,061 / 1,005 ⁽³⁾	38 / 2 ⁽³⁾	3.6 / 0.2 ⁽³⁾	1,045	\$1,403	\$1.34
⁽¹⁾ Development has an additional phase of 60 units under construction. ⁽²⁾ Community is still undergoing its initial absorption period. ⁽³⁾ Excludes community still undergoing its initial absorption period.								

Source: Tracy Cross & Associates, Inc.

- ☐ As it relates to the ownership sector of the market, supply-side constraints are also apparent, especially for moderately priced mainstream product. Overall, new construction for sale development throughout the Whitewater Market Area is generally characterized by smaller- to modest-scale broker- or builder-represented communities reflecting conventional single family and, to a lesser degree, duplex/townhome/condominium subdivisions or scattered-lot developments. The communities that do exist are directed to both primary and lifestyle consumer segments which (in many cases) have been marketed in phases over extended periods of time (and most recently at higher price points). In other words, there are limited developments of *scale* actively marketing new units in “properly priced” proprietary communities throughout the area, with new for sale product especially limited in Whitewater.

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- ❑ In the entirety of the Whitewater Market Area, single family building permits which include single family detached homes as well as single-address townhomes, duplexes, and condominium/villa units, have averaged below 100 units annually over the last few years, despite demand potentials being stronger. This lack of new construction for sale development activity is due, in large part, to the higher price points that now accompany most newly built for sale homes which, in turn, has resulted in more modest sales volumes. In fact, most individual subdivisions throughout the market area are generating sales volumes of just 3-6 homes per year.
- ❑ Overall, new construction **single family detached** closing activity in the Whitewater Market Area has been on the decline over the last three years, a result of limited supply and higher prices. As highlighted in the following text table, the number of new construction single family detached homes sold/closed in the Whitewater Market Area (through the local multiple listing service) dropped from 41 in 2021 to 34 in 2022. Moreover, annual closings for 2023 are on pace to hit just 26 units – and at a median sales price exceeding \$410,000.

**NEW CONSTRUCTION SINGLE FAMILY CLOSINGS
WHITewater MARKET AREA
2021-MAY 2023**

Price Range	2021		2022		Jan-May 2023 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$200,000	1	2.4	---	---	---	---
200,000 - 249,999	1	2.4	1	2.9	---	---
250,000 - 299,999	7	17.1	1	2.9	2	7.7
300,000 - 349,999	12	29.3	8	23.6	6	23.0
350,000 - 399,999	10	24.5	9	26.5	4	15.4
400,000 - 449,999	5	12.2	6	17.7	4	15.4
450,000 - 499,999	2	4.9	4	11.8	2	7.7
500,000 - 549,999	1	2.4	1	2.9	2	7.7
550,000 - 599,999	1	2.4	1	2.9	2	7.7
600,000 - 699,999	1	2.4	1	2.9	2	7.7
700,000 & Above	---	---	2	5.9	2	7.7
Total	41	100.0	34	100.0	26	100.0
Median	----- \$347,951 -----		----- \$388,867 -----		----- \$412,661 -----	
Avg. Days on Market	----- 48 -----		----- 49 -----		----- 77 -----	

Source: Southeast Wisconsin Multiple Listing Service

Please note that new construction closings recorded by the multiple listing service do not include all proprietary subdivision activity among single family developments, especially where individual lots are sold directly to the end consumer, who in turn, builds a semi-custom or custom home. However, activity through the multiple listing service does represent "the majority."

- ❑ While the limited amount of new single family development (of scale) is keeping volumes in the more modest ranges, especially when demand is stronger, so, too, is the overall higher price position of the new construction homes being built. In fact, with the median price of a new single family closing (as recorded through the multiple listing service) standing at \$412,661 during the first

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five months of 2023, there is a disconnect with the distribution of household incomes, which is putting pressure on the existing home market, i.e. the resale sector. For example, the median closing price among new construction units in the Whitewater Market Area is roughly \$120,000 higher than that of a resale counterpart. As a result, prices in the existing home market have also been increasing and the average "days on market" are *extremely low*. As highlighted in the following text table, the average market time of an older-stock single family resale closing during the January-May 2023 period stood at just 19 days, down from 23 days in 2022 and 26 days in 2021. For reference, the typical marketing time for a resale home in the Midwest ranges from 72-90 days. In the city of Whitewater, the average market time of a single family resale during the last five months stood at just 18 days showing a slightly faster rate of sale than the market as a whole.

**SINGLE FAMILY RESALE CLOSINGS
WHITEWATER MARKET AREA
2021-MAY 2023**

Price Range	2021		2022		Jan-May 2023 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$150,000	76	8.4	38	4.7	19	3.1
150,000 - 199,999	155	17.1	115	14.3	79	13.1
200,000 - 249,999	177	19.5	144	17.9	115	19.1
250,000 - 299,999	151	16.6	151	18.7	103	17.1
300,000 - 349,999	105	11.6	123	15.2	84	13.9
350,000 - 399,999	75	8.3	82	10.2	72	12.0
400,000 - 449,999	46	5.1	42	5.2	48	8.0
450,000 - 499,999	25	2.8	25	3.1	26	4.3
500,000 - 549,999	25	2.8	15	1.9	17	2.8
550,000 - 599,999	23	2.5	17	2.1	10	1.7
600,000 - 699,999	20	2.2	24	3.0	7	1.2
700,000 & Above	29	3.1	30	3.7	22	3.7
Total	907	100.0	806	100.0	602	100.0
Median	----- \$265,059 -----		----- \$285,026 -----		----- \$292,982 -----	
Avg. Days on Market	----- 26 -----		----- 23 -----		----- 19 -----	

Source: Southeast Wisconsin Multiple Listing Service

- In the **duplex/condominium/townhome** sector, a similar condition exists in the Whitewater Market Area relative to pricing differentials between new construction units and resales. As highlighted in the following text table, there are typically between 10 and 20 new attached units being sold annually market-wide through the multiple listing service, again a modest volume because of limited supply in this sector, coupled with price points that are now exceeding \$365,000 on average.

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NEW CONSTRUCTION DUPLEX/CONDOMINIUM/TOWNHOME CLOSINGS
WHITEWATER MARKET AREA
2021-MAY 2023

Price Range	2021		2022		Jan-May 2023 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$150,000	---	---	---	---	---	---
150,000 - 199,999	---	---	---	---	---	---
200,000 - 249,999	1	12.5	---	---	---	---
250,000 - 299,999	1	12.5	1	5.6	2	15.4
300,000 - 349,999	6	75.0	5	27.8	2	15.4
350,000 - 399,999	---	---	10	55.5	7	53.8
400,000 - 449,999	---	---	2	11.1	2	15.4
450,000 & Above	---	---	---	---	---	---
Total	8	100.0	18	100.0	13	100.0
Median	----- \$316,666 -----		----- \$364,954 -----		----- \$367,843 -----	
Avg. Days on Market	----- 39 -----		----- 62 -----		----- 55 -----	

Source: Southeast Wisconsin Multiple Listing Service

- The higher price position found in the new construction attached sector is, again, putting pressure on the existing home market as evidenced by duplex/condominium/townhome resale closings averaging just 17 days on market during the January-May 2023 period, down from 34 days in 2021. As highlighted in the following text table, the difference in price between typical resale and new construction attached sector units now stands at more than \$140,000.

DUPLEX/CONDOMINIUM/TOWNHOME RESALE CLOSINGS
WHITEWATER MARKET AREA
2021-MAY 2023

Price Range	2021		2022		Jan-May 2023 (Annualized)	
	Number of Closings	Percent of Total	Number of Closings	Percent of Total	Number of Closings	Percent of Total
Under \$150,000	5	5.4	2	3.3	---	---
150,000 - 199,999	47	50.5	24	40.0	17	35.4
200,000 - 249,999	20	21.5	12	20.0	14	29.1
250,000 - 299,999	14	15.1	7	11.7	5	10.4
300,000 - 349,999	3	3.2	9	15.0	7	14.6
350,000 - 399,999	1	1.1	3	5.0	3	6.3
400,000 & Above	3	3.2	3	5.0	2	4.2
Total	93	100.0	60	100.0	48	100.0
Median	----- \$194,157 -----		----- \$216,749 -----		----- \$225,085 -----	
Avg. Days on Market	----- 34 -----		----- 18 -----		----- 17 -----	

Source: Southeast Wisconsin Multiple Listing Service

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- ❑ The limited amount of *new construction* housing product in the overall market, especially at mainstream price points, i.e., more in-line with typical “new versus resale” differentials, is also having an impact on inventory levels. For example, among all residential resales in the market (both detached and attached excluding new construction), inventory levels are low. For example, with only 153 single family and duplex/condominium/townhome listings reported on June 1, 2023, and with closing activity (among all product types) totaling 866 units in 2022, resale inventory levels in the Whitewater Market Area stand at just 2.12 months, which falls below the typical four-month inventory period that exists in more normal, or balanced, existing home markets.
- ❑ Finally, according to planning and zoning officials throughout the Whitewater Market Area (including the city of Whitewater), there is not enough residential development in the planning pipeline at this time to satisfy demand – another factor supporting the need for more housing.

A PLANNING STRATEGY: THE PRODUCT

As summarized in previous paragraphs, future residential development potentials in Whitewater and surrounding areas are clearly evident. In other words, the city of Whitewater is *well suited* for the introduction of new *market rate* residential development over the next 5+ years including conventional “non-student” rental offerings and various forms of for sale housing. This favorable conclusion is based upon: 1) more than adequate demand support for a variety of new construction housing alternatives; 2) notable supply-side constraints; 3) an ample base of existing (and future) households with strong demographic profiles; 4) tightness (and certain disjointedness) in both the rental and for sale sectors of the market; 5) good schools; 6) in-place employment, transportation, shopping/services, recreation, etc.; and 7) the opportunity to introduce new and differentiated housing product in a market where such product is needed.

Because supply-side issues throughout the Whitewater Market Area are largely driven by the type of product being offered, together with current density allocations for such product (and the cost to produce it), the City of Whitewater must think *strategically* in order guide future development initiatives that can bridge the gap that exists between area incomes/resales and new residential development, especially in the for sale sector. This initiative will take a great deal of effort relative to planning, development, and implementation, simply because it deviates from the market norm. However, the City of Whitewater is in a unique position to truly guide future residential development efforts in a direction of discipline and insight as it relates to specific products that meet the demands of the market relative to unit types/styles, densities, and most importantly, rent/price positioning.

With this said, the following bullet-point summary provides very specific (and detailed) guidelines for establishing the most practical and marketable *hierarchy* of conventional/mainstream housing over the next several years with a logical continuum of six separate and distinct product lines:

- ❑ Mirroring a number of successful mainstream apartment communities throughout the Midwest, including southern Wisconsin, strong consideration should be given to the introduction of two different market rate rental housing series, one consisting of a two-story garden-style walkup idiom directed to all renter households and the other representing a value-oriented ranch villa program targeting the active adult aged 55-74, but not restricted to this segment since other profiles will find this product desirable. Together, these two product forms, which are extremely efficient and cost effective to build, will allow for a broad and varied mix of unit types, sizes, and rents capable of penetrating the threshold of mainstream conventional renter households in the marketplace – and those emanating to Whitewater in the years to come. In other words, the introduction of these two new construction product lines in Whitewater would allow the full breadth of mainstream renter profiles to be targeted. These include Millennials, also known as Echo Boomers or Generation Y, along with Centennials, also known as Generation Z (i.e., younger singles and couples without

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children), together with traditional and non-traditional households such as divorcees, middle-age singles, never-nested couples, singles living together as couples in a roommate condition, young families, etc., and, of course, the move-down empty-nester/active adult/pre-retiree/retiree aged 55 to 74 – a segment which shows substantial growth near term.

- ❑ The **two-story garden apartment program** would consist of a “private entry” product with a component of attached, direct-access garages. In this regard, one of the most successful garden-style developments in the Midwest (and in other portions of southern Wisconsin) consists of a series of eight-unit buildings (each with four direct-access one-car garages) or 16-unit buildings (each with eight direct-access one-car garages). With just 50 percent direct-access garages suggested per structure, two different versions of the garden apartment building should be designed in order for each of the individual floorplans to be offered *with a direct access garage* in one of the two building types. By following this formula, each plan offering would have a 50 percent representation of direct-access one-car garages.



- ❑ Individual designs for the garden apartment product should be broad and varied consisting of eight (8) plan offerings including one-, two- and three-bedroom options ranging in size from 600 to 1,250 square feet. Please note that this product line would also be accompanied by buildings with optional detached garages. As such, renter profiles could elect either surface parking only; a detached garage; or a unit with an attached garage, thus giving future residents a full continuum of rental options to choose from as it relates to their choice of parking cast against their desired (or needed) monthly payment based upon income. This scenario will also provide competitive consistency with other developments in the market, current and future.
- ❑ If elevated properly, the two-story garden apartment buildings (and the separate structures with detached garages) can exemplify tasteful suburban architecture and be very complimentary to other development initiatives (including for sale products) throughout Whitewater.
- ❑ The **ranch villa apartment program**, which would target households aged 55+, although not be restricted to this consumer segment, would consist of direct-entry single-level ranch-type townhome plans, each with a one-car attached garage. Modeled, in part, after very successful empty nester ranches in Watertown, Wisconsin (and other parts of the Midwest), this product line would consist of four different plan designs ranging from a one-bedroom residence at 725 square feet to a three-bedroom unit with 1,275 square feet. This product line would be configured in 3-, 4-, 5- and 6-unit buildings (duplexed where necessary).



- ❑ Mirroring competitive counterparts overall, size increments between floorplans (for both rental products) should not exceed 200 square feet (and be narrower in most instances). This discipline will keep lease rate differentials between plans small and in concert with the gradual upward movement of mainstream/workforce household incomes.

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- Representing the first of four product lines in the for sale sector of the market, and in an effort to establish an overall hierarchy of “staple” conventional/mainstream ownership product starting with an alternative that should be able to achieve price points not currently represented in the new construction the marketplace, is an efficiently designed mid-density **townhome/rowhome series**. This product line would include three separate three-story plan types, each with two main living areas configured over an *integral* two-car garage and a finished lower level, all with two-car garages. Plan sizes for this series, which will average 1,400 square feet, should range from 1,200 to 1,550 square feet including finished lower levels. This can be achieved in very efficient and cost effective 20' wide modules. With rear-entry garages, individual buildings are generally designed to face one another, thus allowing for a small pedestrian greenway between buildings, or they can be configured fronting a street. Combined, the three individual plan offerings will be capable of attracting a broad range of buyer profiles, with attentive focus directed toward young singles and couples without children, couples in their initial stages of family formation and young families.



- Architecturally, the townhome/rowhome product line can support either a traditional elevation scheme, or it can command something more contemporary/urban oriented, i.e., at the builder's discretion and dependent upon cost and location within Whitewater. Overall, this product line can achieve a density of 12 units per acre, thus allowing builders to distribute land and development costs across more units – in an attempt to bring prices down from the current representation of condominium products (i.e., luxury duplexes) that are currently represented at various locations in and around the local market.

- Representing a more “cost conscious” age-targeted alternative to the highly stylized ranch duplex condominiums often found throughout the Whitewater Market Area, yet still directed toward the more mature, move-down home purchasers aged 55-74+, a very efficient **attached ranch villa** for sale series is recommended. This product line, which could be configured in 3-, 4- or 5-unit buildings (duplexed only where necessary) would consist exclusively of single-level ranch plans, each with a front-load two-car garage and a small, but usable, back-yard or patio area. Ranging in size from 1,300 to 1,500 square feet, the average attached villa unit would carry 1,400 square feet of living space. These homes would be configured slab-on-grade, although certain lots could/should be designated to accommodate optional basements. While directed toward the move-down consumer or empty-nester, this product line would be capable of attracting other segments of the market as well (similar to the one-car garage ranch villa rentals, but for ownership households). Ultimately, the goal of creating a two-car garage villa product (as opposed to straight duplex buildings) would be to achieve a higher-density which, again, would allow costs to be distributed across more units – and leading to more competitive prices.



- In the single family sector, representing a departure from the current medium- to larger-lot production/semi-custom/custom home development currently characteristic of new scattered-lot developments throughout the market, would be an urban/suburban detached product line, most with rear-load garages. Reflecting a derivation of the neo-traditional planning concept, i.e., Traditional Neighborhood Development (TND), this **small lot single family series**, ideally, would be comprised of two single-level “ranch” plans, two traditional two-story units (with second floor

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master bedrooms) and one two-story unit with a first-floor master bedroom, all with optional basements. Ranging in size from 1,500 to 1,900 square feet, and averaging 1,700 square feet across the group, homes in this series should be approximately 30'-35' wide configured on 40'-45' wide homesites. In various areas of the Midwest, this particular product line has been extremely successful as it has allowed new construction single family housing (through density and unit sizes) to meet a mainstream or "middle of the market" price point – one not typically seen among more traditional counterparts. The small lot single family product line will be able to attract a broad spectrum of mainstream detached home purchasers including young childless married couples, couples in their initial stages of family formation, and traditional families. And, with the incorporation of several ranch plans and a two-story master-down design, this program will be in a position to also appeal to the 55 and older empty-nester segment desirous of detached housing. While most homes should accommodate rear-load garages to maximize density, a plan or two could be configured with a front-load garage if land planning calls for such a configuration,



- The second single family product line should consist of a more **traditional single family series** with front-access, two-car garages and optional basements. This product line should be comprised of two single-level "ranch" plans and four traditional two-story units. Ranging in size from 1,750 to 2,400 square feet, and averaging roughly 2,050 square feet across the group, homes in this program should be configured on 50'-60" wide homesites. These modest lot sizes would, once again, assist in reducing costs, thus allowing for a more competitive price position. Together, the six suggested plans will also appeal to a broad spectrum of single family home purchasers including young childless married couples, couples in their initial stages of family formation, and first- and second-time move up families. And, with the inclusion of two ranch plans on small low-maintenance lots, this series will appeal to the 55 and older empty-nester segment as well. *While the price points for this product line align the upper end of mainstream incomes, they provide a reasonably priced move-up alternative in an effort to alleviate pressure among area resales and open up more options for the bulk of the existing home market.*



For a detailed outline of each recommended housing idiom including individual product/plan criteria, unit sizes, rents/prices, features, community amenities, etc., consult **Exhibits 2 through 7**. As depicted, plan offerings are broad and varied, and reflect some of the best-selling floorplan alternatives among successful "like" products throughout the Midwest and also southern Wisconsin. This detailed information should give builders/developers the guidance they need for properly penetrating the local home market.

It is important to note that the detailed planning guidelines and benchmark rent/price suggestions for the various housing products are not arbitrary, but rather *strategic*. Specially, these guidelines will allow five important goals to be met. First, the continuum of home types, styles and rents/prices will directly align

2

PRODUCT CRITERIA AND BENCHMARK RENTS - TWO-STORY GARDEN APARTMENTS
-- CONVENTIONAL/MAINSTREAM HOUSING --
WHITEWATER, WISCONSIN

Product Line Summary								
Product Form:	Two-Story Garden Apartments (8- or 16-Unit Buildings with 4 or 8 Direct Access One-Car Garages Per Building)							
Density in Units Per Acre:	16.0							
Average Plan Size (Sq. Ft.):	925							
Average Benchmark Base Rent w/50 % Garages:	\$1,383							
Per Sq. Ft.:(1)	\$1.50							
								
Plan Detail								
Plan Designation	A-1	A-2	A-3	B	C-1	C-2	C-3	D
Percent Distribution	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Plan Type	1BR	1BR	1BR	1BR DEN	2BR	2BR	2BR	3BR
Bedroom/Bath Mix	1/1.0	1/1.0	1/1.0	1+Den/1.0	2/2.0	2/2.0	2/2.0	3/2.0
Unit Size (Sq. Ft.)	600	700	775	875	975	1,075	1,150	1,250
Benchmark Base Rent w/o Garage:(1)	\$1,075	\$1,150	\$1,225	\$1,300	\$1,375	\$1,450	\$1,505	\$1,580
Per Sq. Ft.:(1)	\$1.79	\$1.64	\$1.58	\$1.49	\$1.41	\$1.35	\$1.31	\$1.26
Benchmark Base Rent w/ Garage:(2)	\$1,175	\$1,250	\$1,325	\$1,400	\$1,475	\$1,550	\$1,605	\$1,680
Per Sq. Ft.:(2)	\$1.96	\$1.79	\$1.71	\$1.60	\$1.51	\$1.44	\$1.40	\$1.34
Unit Features and Community Amenities								
UNIT STANDARDS			KITCHEN FEATURES			BATH/POWDER ROOM STANDARDS		
■ Painted Trim ■ Plank Flooring in Living Areas ■ "White" Interior Paint Finish ■ Direct Wire Smoke Detectors ■ Cable/Satellite Access ■ High-Speed Internet Connectivity ■ USB Ports ■ Air Conditioning ■ Quality Door Hardware ■ Quality Lighting Package ■ Private Balcony/Patio			■ Quality Wood Cabinetry ■ Plank Flooring ■ Self Clean Range Oven ■ Built-In Dishwasher ■ Refrigerator with Ice-Maker ■ Garbage Disposal ■ Microwave with Vent ■ Hard Surface Countertops ■ Stainless Steel Sink			■ Plank Flooring ■ Hard Surface Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity		
CLOSETS, UTILITIES, AND STORAGE			COMMUNITY FEATURES/AMENITIES (LARGE-SCALE DEVELOPMENTS) (SHARED W/RANCH VILLA RENTALS)					
■ Walk-In MBR Closet (Per Plan) ■ Wire Closet Shelving ■ Full Size Washer/Dryer (Stacked or Side-by-Side) ■ Storage Area (Either In-Unit or Separate) ■ Linen Closet(s) ■ Programmable Thermostat			■ Architecturally-enhanced Exteriors ■ Secured Access Entry Per Unit ■ Clubhouse w/ Community Room, Kitchen, Fitness Center, E-Lounge, Etc. ■ Outdoor Fireside Lounge & Grilling Stations ■ Outdoor Swimming Pool/Deck Area ■ Dog Park & Dog Washing Station			■ Trail System ■ Sport Courts/Playground ■ Extensive Landscaping/Hardscaping ■ Wi-Fi in all Common Areas ■ Direct Access Garages at 50% ■ Adequate Surface Parking ■ Detached Garages @ \$65 Monthly Per Space		
(1) Benchmark base monthly rents, which are presented in June 2023 dollars, reflect the posted base rents for units without direct access garages. They do not include potential premiums for corner units, floor or view. They also do not include application/administration fees, pet fees, storage rental, utilities, or detached garages. (2) Benchmark base monthly rents, which are presented in June 2023 dollars, reflect the posted base rents for units with direct access garages. They do not include potential premiums for corner units, floor or view. They also do not include application/administration fees, pet fees, storage rental, utilities, or detached garages.								

Source: Tracy Cross & Associates, Inc.

3

PRODUCT CRITERIA AND BENCHMARK RENTS - RANCH VILLA RENTALS
-- CONVENTIONAL/MAINSTREAM HOUSING --
WHITEWATER, WISCONSIN

Product Line Summary				
Product Form:		Single-Level Ranch Villas w/Attached One-Car Garages (3-, 4-, 5- and/or 6-Unit Buildings-Duplexed Where Necessary)		
Density in Units Per Acre:	10.0			
Average Plan Size (Sq. Ft.):	1,000			
Average Benchmark Base Rent:	\$1,563			
Per Sq. Ft.: ⁽¹⁾	\$1.56			
Plan Detail				
Plan Designation	A	B-1	B-2	C
Percent Distribution	25.0	25.0	25.0	25.0
Plan Type	1BR	1BR DEN	2BR	3BR
Bedroom/Bath Mix	1/1.0	1+Den/1.0	2/2.0	3/2.0
Unit Size (Sq. Ft.)	725	925	1,075	1,275
Benchmark Base Rent: ⁽¹⁾	\$1,350	\$1,500	\$1,625	\$1,775
Per Sq. Ft.: ⁽¹⁾	\$1.86	\$1.62	\$1.51	\$1.39
Unit Features and Community Amenities				
UNIT STANDARDS		KITCHEN FEATURES		BATH/POWDER ROOM STANDARDS
■ Painted Trim ■ Plank Flooring in Living Areas ■ "White" Interior Paint Finish ■ Direct Wire Smoke Detectors ■ Cable/Satellite Access ■ High-Speed Internet Connectivity ■ USB Ports ■ Air Conditioning ■ Quality Door Hardware and Lighting Package ■ Private Patio		■ Quality Wood Cabinetry ■ Plank Flooring ■ Self Clean Range Oven ■ Built-In Dishwasher ■ Refrigerator with Ice-Maker ■ Garbage Disposal ■ Microwave with Vent ■ Hard Surface Countertops ■ Stainless Steel Sink		■ Plank Flooring ■ Hard Surface Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity
CLOSETS, UTILITIES, AND STORAGE		COMMUNITY FEATURES/AMENITIES (LARGE-SCALE DEVELOPMENTS) (SHARED W/GARDEN APARTMENTS)		
■ Walk-In MBR Closet (Per Plan) ■ Wire Closet Shelving ■ Full Size Washer/Dryer (Stacked or Side-by-Side) ■ Storage Area (Either In-Unit or Separate) ■ Linen Closet(s) ■ Programmable Thermostat		■ Architecturally-enhanced Exteriors ■ Secured Access Entry Per Unit ■ Clubhouse w/ Community Room, Kitchen, Fitness Center, E-Lounge, Etc. ■ Outdoor Fireside Lounge & Grilling Stations ■ Outdoor Swimming Pool/Deck Area ■ Trail System ■ Dog Park ■ Dog Washing Station ■ Sport Courts/Playground ■ Extensive Landscaping/Hardscaping ■ Wi-Fi in all Common Areas ■ Direct Access Garages at 100% ■ Additional Surface Parking		
⁽¹⁾ Benchmark base monthly rents, which are presented in June 2023 dollars, reflect the posted base rents, each of which includes an attached one-car garage. They do not include potential premiums for corner units or view. They also do not include application/administration fees, pet fees, storage rental, or utilities.				

Source: Tracy Cross & Associates, Inc.

PRODUCT CRITERIA AND BENCHMARK PRICES - FOR SALE TOWNHOMES/ROWHOMES
-- CONVENTIONAL/MAINSTREAM HOUSING --
WHITEWATER, WISCONSIN

4

Product Line Summary			
Product Form:	Townhomes/Rowhomes		
Garage Condition:	2-Car (Rear Load)		
Lower Level of Townhomes/Rowhomes	Finished		
Average Plan Size (Sq. Ft.):	1,400		
Average Benchmark Base Price: ⁽¹⁾	\$237,990		
Per Sq. Ft.:	\$169.99		
Average Anticipated Closing Price: ⁽²⁾	\$252,200		
Per Sq. Ft.:	\$180.14		
			
Plan Detail			
Plan Designation	A	B	C
Plan Style	3-Story	3-Story	3-Story
Bedrooms	2	2+Loft	3
Baths	2.5	2.5	2.5
Unit Size (Sq. Ft.)	1,200	1,450	1,550
Benchmark Base Price: ⁽¹⁾	\$223,990	\$240,990	\$248,990
Per Sq. Ft.:	\$186.66	\$166.20	\$160.64
Anticipated Closing Price: ⁽²⁾	\$237,400	\$255,400	\$263,900
Per Sq. Ft.:	\$197.83	\$176.14	\$170.26
Features and Amenities			
UNIT STANDARDS		KITCHEN FEATURES	
■ Luxury Plank Flooring in Main Living Areas ■ Carpeting in Bedroom Areas ■ "White" Interior Paint Finish ■ Painted Trim ■ Direct-Wire Smoke Detectors Per Code ■ Cable/Satellite/Telephone Prewire ■ Paneled Doors ■ High-Speed Internet Connectivity ■ Air Conditioning ■ Designer Door Hardware ■ Designer Lighting Package ■ Private Balcony		■ Quality Cabinetry ■ Luxury Plank Flooring ■ Four Burner Cooktop ■ Self Clean Single Oven-Stainless Steel ■ Built-In 5-Cycle Dishwasher-Stainless Steel ■ Refrigerator with Ice-Maker-Stainless Steel ■ Garbage Disposal ■ Microwave with Vent ■ Granite or Quartz Countertops ■ Double Bowl Stainless Steel Sink	
CLOSETS, UTILITIES, AND LAUNDRY		BATH/POWDER ROOM STANDARDS	
■ Walk-In MBR Closet (Per Plan) ■ Laminate Closet Shelving ■ Washer/Dryer Hook-Up ■ Linen Closet(s) ■ Programmable Thermostat		■ Ceramic Flooring ■ Granite or Quartz Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity	
		BUILDING FEATURES/AMENITIES	
		■ Architecturally-Enhanced Exteriors ■ Extensive Hardscaping/Landscaping ■ Finished Lower Level	
		■ Front-Oriented Sidewalks ■ Modest, But Desirable Community Amenities (Depends on Size of Development)	
⁽¹⁾ Benchmark base sales prices, which are presented in June 2023 dollars, do not include options, upgrades or premiums.			
⁽²⁾ Includes an estimate for options, upgrades and premiums, i.e. 6.0 percent above the base sales price.			

Source: Tracy Cross & Associates, Inc.

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PRODUCT CRITERIA AND BENCHMARK PRICES - FOR SALE ATTACHED RANCH VILLAS
-- CONVENTIONAL/MAINSTREAM HOUSING --
WHITEWATER, WISCONSIN

Product Line Summary			
Product Form:	Attached Ranch Villas (3-, 4- and 5-Unit Buildings - Duplexed Where Necessary)		
Garage Condition:	2-Car (Front)		
Average Plan Size (Sq. Ft.):	1,400		
Average Benchmark Base Price: ⁽¹⁾	\$257,990		
Per Sq. Ft.:	\$184.28		
Average Anticipated Closing Price: ⁽²⁾	\$276,000		
Per Sq. Ft.:	\$197.14		
			
Plan Detail			
Plan Designation	A	B	C
Plan Style	Ranch	Ranch	Ranch
Bedrooms	2	2+Den	2+Den
Baths	2	2	2
Unit Size (Sq. Ft.)	1,300	1,400	1,500
Benchmark Base Price: ⁽¹⁾	\$249,990	\$257,990	\$265,990
Per Sq. Ft.:	\$192.30	\$184.28	\$177.33
Anticipated Closing Price: ⁽²⁾	\$267,500	\$276,000	\$284,600
Per Sq. Ft.:	\$205.77	\$197.14	\$189.73
Features and Amenities			
UNIT STANDARDS ■ Luxury Plank Flooring in Main Living Areas ■ Carpeting in Bedroom Areas ■ "White" Interior Paint Finish ■ Painted Trim ■ Direct-Wire Smoke Detectors Per Code ■ Cable/Satellite/Telephone Prewire ■ Paneled Doors ■ High-Speed Internet Connectivity ■ Air Conditioning ■ Designer Door Hardware ■ Designer Lighting Package ■ Private Patio Area CLOSETS, UTILITIES, AND LAUNDRY ■ Walk-In MBR Closet (Per Plan) ■ Laminate Closet Shelving ■ Washer/Dryer Hook-Up ■ Linen Closet(s) ■ Programmable Thermostat KITCHEN FEATURES ■ Quality Cabinetry ■ Luxury Plank Flooring ■ Four Burner Cooktop ■ Self Clean Single Oven-Stainless Steel ■ Built-In 5-Cycle Dishwasher-Stainless Steel ■ Refrigerator with Ice-Maker-Stainless Steel ■ Garbage Disposal ■ Microwave with Vent ■ Hard Surface Countertops ■ Double Bowl Stainless Steel Sink BATH/POWDER ROOM STANDARDS ■ Ceramic Flooring ■ Hard Surface Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity HOME FEATURES/AMENITIES ■ Architecturally-Enhanced Exteriors ■ Extensive Hardscaping/Landscaping ■ Basements Optional ■ Front-Oriented Sidewalks ■ Modest, But Desirable Community Amenities (Depends on Size of Development)			
⁽¹⁾ Benchmark base sales prices, which are presented in June 2023 dollars, do not include options, upgrades or premiums. ⁽²⁾ Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.			

Source: Tracy Cross & Associates, Inc.

**PRODUCT CRITERIA AND BENCHMARK PRICES - SMALL LOT FOR SALE SINGLE FAMILY
-- CONVENTIONAL/MAINSTREAM HOUSING --
WHITEWATER, WISCONSIN**

6

Product Line Summary					
Product Form:	Single Family				
Lot Dimensions:	40'-45" x 100'-110'				
Garage Condition:	2-Car (Rear Load) (Front-Load As Necessary)				
Average Plan Size (Sq. Ft.):	1,700				
Average Benchmark Base Price: ⁽¹⁾	\$308,990				
Per Sq. Ft.:	\$181.76				
Average Anticipated Closing Price: ⁽²⁾	\$330,600				
Per Sq. Ft.:	\$194.47				
					
Plan Detail					
Plan Designation	A	B	C	D	E
Plan Style	Ranch	Ranch	2-Story	2-Story	2-Story (1st Floor MBR)
Bedrooms	2 + Den	2 + Flex	3	3 + Flex	3 + Loft
Baths	2	2	2.5	2.5	2.5
Unit Size (Sq. Ft.)	1,500	1,600	1,700	1,800	1,900
Benchmark Base Price: ⁽¹⁾	\$290,990	\$299,990	\$308,990	\$317,990	\$326,990
Per Sq. Ft.:	\$193.99	\$187.49	\$181.76	\$176.66	\$172.10
Anticipated Closing Price: ⁽²⁾	\$311,400	\$321,000	\$330,600	\$340,200	\$349,900
Per Sq. Ft.:	\$207.60	\$200.63	\$194.47	\$189.00	\$184.16
Features and Amenities					
UNIT STANDARDS		KITCHEN FEATURES		BATH/POWDER ROOM STANDARDS	
■ Luxury Plank Flooring in Main Living Areas ■ Carpeting in Bedroom Areas ■ "White" Interior Paint Finish ■ Painted Trim ■ Direct-Wire Smoke Detectors Per Code ■ Cable/Satellite/Telephone Prewire ■ Paneled Doors ■ High-Speed Internet Connectivity ■ Air Conditioning ■ Designer Door Hardware ■ Designer Lighting Package ■ Private Patio Area		■ Quality Cabinetry ■ Luxury Plank Flooring ■ Four Burner Cooktop ■ Self Clean Single Oven-Stainless Steel ■ Built-In 5-Cycle Dishwasher-Stainless Steel ■ Refrigerator with Ice-Maker-Stainless Steel ■ Garbage Disposal ■ Microwave with Vent ■ Hard Surface Countertops ■ Double Bowl Stainless Steel Sink		■ Ceramic Flooring ■ Hard Surface Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity	
CLOSETS, UTILITIES, AND LAUNDRY		HOME FEATURES/AMENITIES			
■ Walk-In MBR Closet (Per Plan) ■ Laminate Closet Shelving ■ Washer/Dryer Hook-Up ■ Linen Closet(s) ■ Programmable Thermostat		■ Architecturally-Enhanced Exteriors ■ Extensive Hardscaping/Landscaping ■ Optional Basements		■ Front-Oriented Sidewalks ■ Modest, But Desirable Community Amenities (Depends on Size of Development)	
⁽¹⁾ Benchmark base sales prices, which are presented in June 2023 dollars, do not include options, upgrades or premiums.					
⁽²⁾ Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.					

Source: Tracy Cross & Associates, Inc.

7

PRODUCT CRITERIA AND BENCHMARK PRICES - CONVENTIONAL FOR SALE SINGLE FAMILY
-- CONVENTIONAL/MAINSTREAM/MOVE-UP HOUSING --
WHITEWATER, WISCONSIN

Product Line Summary						
Product Form:	Single Family					
Lot Dimensions:	55'-60' x 120'					
Garage Condition:	2-Car (Front)					
Average Plan Size (Sq. Ft.):	2,050					
Average Benchmark Base Price: ⁽¹⁾	\$357,490					
Per Sq. Ft.:	\$174.39					
Average Anticipated Closing Price: ⁽²⁾	\$382,500					
Per Sq. Ft.:	\$186.59					
						
Plan Detail						
Plan Designation	A	B	C	D	E	F
Plan Style	Ranch	Ranch	2-Story	2-Story	2-Story	2-Story
Bedrooms	3	3	3+Flex	4	4 + Loft	4 + Den
Baths	2.0	2.0	2.5	2.5	2.5	2.5
Unit Size (Sq. Ft.)	1,750	1,850	1,950	2,100	2,250	2,400
Benchmark Base Price: ⁽¹⁾	\$329,990	\$338,990	\$347,990	\$361,990	\$375,990	\$389,990
Per Sq. Ft.:	\$188.57	\$183.24	\$178.46	\$172.38	\$167.11	\$162.50
Anticipated Closing Price: ⁽²⁾	\$353,100	\$362,700	\$372,300	\$387,300	\$402,300	\$417,300
Per Sq. Ft.:	\$201.77	\$196.05	\$190.92	\$184.43	\$178.80	\$173.88
Features and Amenities						
UNIT STANDARDS		KITCHEN FEATURES		BATH/POWDER ROOM STANDARDS		
■ Luxury Plank Flooring in Main Living Areas ■ Carpeting in Bedroom Areas ■ "White" Interior Paint Finish ■ Painted Trim ■ Direct-Wire Smoke Detectors Per Code ■ Cable/Satellite/Telephone Prewire ■ Paneled Doors ■ High-Speed Internet Connectivity ■ Air Conditioning ■ Designer Door Hardware ■ Designer Lighting Package ■ Large Private Patio Area		■ Quality Cabinetry ■ Luxury Plank Flooring ■ Four Burner Cooktop ■ Self Clean Single Oven-Stainless Steel ■ Built-In 5-Cycle Dishwasher-Stainless Steel ■ Refrigerator with Ice-Maker-Stainless Steel ■ Garbage Disposal ■ Microwave with Vent ■ Hard Surface Countertops ■ Double Bowl Stainless Steel Sink		■ Ceramic Flooring ■ Hard Surface Vanity Tops ■ Quality Cabinetry ■ Ceramic Tub/Shower Surround ■ Framed Glass Mirror Over Vanity		
CLOSETS, UTILITIES, AND LAUNDRY		HOME FEATURES/AMENITIES				
■ Walk-In MBR Closet (Per Plan) ■ Laminate Closet Shelving ■ Washer/Dryer Hook-Up ■ Linen Closet(s) ■ Programmable Thermostat		■ Architecturally-Enhanced Exteriors ■ Extensive Hardscaping/Landscaping ■ Optional Basements			■ Modest, But Desirable Community Amenities (Depends on Size of Development)	
⁽¹⁾ Benchmark base sales prices, which are presented in June 2023 dollars, do not include options, upgrades or premiums. ⁽²⁾ Includes an estimate for options, upgrades and premiums, i.e. 7.0 percent above the base sales price.						

Source: Tracy Cross & Associates, Inc.

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mainstream household incomes in the market. Second, the for sale product lines (and their prices) will assist builders in bridging the rather large price gap that exists between area resales and new construction alternatives which, in turn, will provide for "above average" absorption/sales rates. Third, the suggested products (and their typical density allocations) will allow each home series to improve upon total unit counts per acre, which will help minimize raw land costs per unit. Fourth, each suggested product line and plan offering can be built in an efficient manner, which will assist in keeping direct construction costs at a minimum. Finally, the rents/prices assigned to each product line will allow each housing idiom to draw consumers from both the city Whitewater and other nearby areas (both inside and outside the Whitewater Market Area).

Because each product line has been positioned competitively (and strategically) relative to the market, absorption rates for the rental products and sales rates for the ownership offerings are expected to be "at" or "above the market average." And, while absorption and sales are dependent upon other factors such as the scale of a development or phase, i.e., number of total units; site location; community amenities, etc., the following text table offers a general outline of what a typical development or phase would be capable of attaining per product series:

**ABSORPTION / SALES SUMMARY - A GUIDE
SUGGESTED HOUSING PRODUCTS: WHITEWATER, WISCONSIN**

Product Line	Estimated Total Units For a Typical Development or Phase (of Relative Scale)	Annual Absorption/ Sales Potential (In Units) At Benchmark Rents/Prices	Marketing Life (In Years)
Two-Story Garden Apts	144	96	1.5 ⁽¹⁾
Ranch Villa Rental	90	60	1.5 ⁽¹⁾
Townhomes/Rowhomes	36	12	3.0
Attached Ranch Villas	36	12	3.0
TND Single Family	36	12	3.0
Conventional Single Family	36	12	3.0
⁽¹⁾ Marketing life will actually be slightly shorter to get to a stabilized occupancy level of 95 percent.			

Source: Tracy Cross & Associates, Inc.

The absorption/sales volumes outlined above are reflective of a series of residential product lines that will appeal to households earning incomes, generally, in the \$40,000 to \$75,000 range for the rental products and in the \$65,000 to \$150,000 range for the ownership idioms. These income segments, which are some of the deepest in the city of Whitewater and surrounding communities, have been disenfranchised of late relative to new construction alternatives market-wide.

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MARKET POSITIONING

It is important to reiterate that the benchmark rents/prices outlined in Exhibits 2 through 7 have been *carefully* established so that each product line can penetrate the mainstream of the new construction housing market based, primarily, on incomes, while at the same time supporting a value position necessary to appeal to consumers from inside and outside the local area. For example, the two rental products will each occupy an appropriate (and competitive) rent/value variance when cast against the newest apartment communities, i.e., those developments introduced in the last five years, all of which are located just outside the Whitewater Market Area.

**APARTMENT COMMUNITIES CONSTRUCTED IN THE LAST 5 YEARS
-- JUST OUTSIDE THE WHITWATER MARKET AREA --
JUNE 2023**

Development	Location	Garage Condition	Year Built	Total Units	Vacancy/ Absorption Rate	Average Unit Size (Sq. Ft.)	Average Posted Base Monthly Rent	
							\$	\$/Sq. Ft.
<i>Suggested Garden Apts</i>	Whitewater	1-Car Incl. (50%)	---	144	8.0/Mo (Est.)	925	\$1,383	\$1.50
<i>Suggested Ranch Villas</i>	Whitewater	1-Car Incl. (100%)	---	90	5.0/Mo (Est.)	1,000	1,563	1.56
The Vineyards of Cambridge	Cambridge	1-Car Incl. (100%)	2018	70	0.0	835	\$1,267	\$1.52
Lofts at Honey Creek	East Troy	1-Car Incl. (100%)	2022	120	0.0	991	1,498	1.51
Rock Creek	Lake Mills	1 or 2-Car Incl. (100%)	2019	144	0.7	929	1,503	1.62
Summer Ridge	Lake Mills	1-Car Incl. (100%)	2023	56	8.8/Mo.	1,035	1,650	1.59
The Pointe	Mukwonago	1-Car Opt.	2020	89	0.0	968	1,395	1.44

Source: Tracy Cross & Associates, Inc.

As positioned, and considering the total unit count estimates provided earlier, the two rental products could achieve absorption rates close to 8.0 units monthly for the garden apartments and 5.0 units per month for the ranch villa rentals, rates that are consistent with typical lease-up trends. For instance, at an average absorption pace of 8.0 units monthly across the 144 estimated total units (per development or phase) and 5.0 per month across 90 total units, again per development or phase, these two rental idioms will each be absorbed at a rate equal to approximately 5.5 percent of their total unit counts. Among most apartment developments throughout similar Midwest locations, absorption rates *among properly positioned communities* generally hover between 4.0 and 7.0 percent of their total unit counts.

In addition, absorption rates among other surveyed developments generally fall within the forecasted range including the 8.8 unit-per-month pace being achieved by Summer Ridge, not to mention the recent 8.5 pace recently registered by Lofts at Honey Creek and the 7.7 rate achieved at The Pointe.

The various for sale products, in turn, will occupy lower/more competitive value positions in the market considering the higher price points currently represented in the new construction ownership sector. As but one example, the two-car garage attached ranch villa product suggested for Whitewater has been priced roughly 15 percent below similar product at the best-selling condominium development in the entire Whitewater Market Area. Specifically, Fox Chase Villas in Eagle (Waukesha County), which consists of two-car garage attached ranch duplexes with standard unfinished basements, is selling at a pace of 8 homes per year at an average closing price of roughly \$350,000 for 1,400 square feet of living space. This compares with our estimated average closing price in Whitewater of \$276,000 for 1,400 square feet (without basements) and our estimated sales forecast of 12 units per year. As such, our pricing differential can be supported on the basis of location, optional basements, and sales pace.



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At the same time, the suggested two-car garage ranch villa series, at benchmark, will carry a whole dollar price position appropriately below newer condominiums along Jakes Way in Whitewater, where sales have been modest.

The two single family series suggested for Whitewater, too, will maintain the necessary under market variance. As highlighted in **Exhibit 8**, estimated closing prices for the detached product lines will be positioned roughly 10 below the most recent new construction single family mainstream closings throughout the Whitewater Market Area.

A DISCIPLINE APPROACH TO PRODUCT DEVELOPMENT

It will likely be challenging to achieve the rents/prices suggested for each product line based upon current costs of development and construction, although it can be accomplished (and essentially must be accomplished) to attain the absorption/sales forecast which, in turn, will fill the holes that currently exist in the new construction home market in and around Whitewater. To assist in this endeavor, it will be imperative for all stakeholders to work closely with builders/developers so that the recommendations are followed. With this said, builders/developers (and governing bodies) will need to think differently in terms of land planning, development, and product design in order to *substantially reduce costs*, a key component to meeting the rent/price requirements. Provided below are key ingredients to brining properly positioned mainstream housing to market, especially as it relates to the ownership products:

- ☐ Each product line must be efficient and cost effective to build from a design standpoint (value engineered). This can be achieved while still offering functional and desirable floorplans.
- ☐ The basis for design should be modeled after box-on-box/four-corner construction with no wasted space; however, exterior elevations should still be very appealing. Referencing the latter, a strong use of colors *not materials* is but one example of how quality can be portrayed to the consumer. This has been accomplished in numerous communities throughout the U.S. To reiterate, by creating value-oriented floorplans, we are not suggesting that quality be minimized, nor is there implication that overall curb appeal be comprised. It simply needs to be accomplished strategically.

Provided below are a few floorplan examples that portray efficiency in design:

Typical Three-Story Townhome/Rowhome Plan

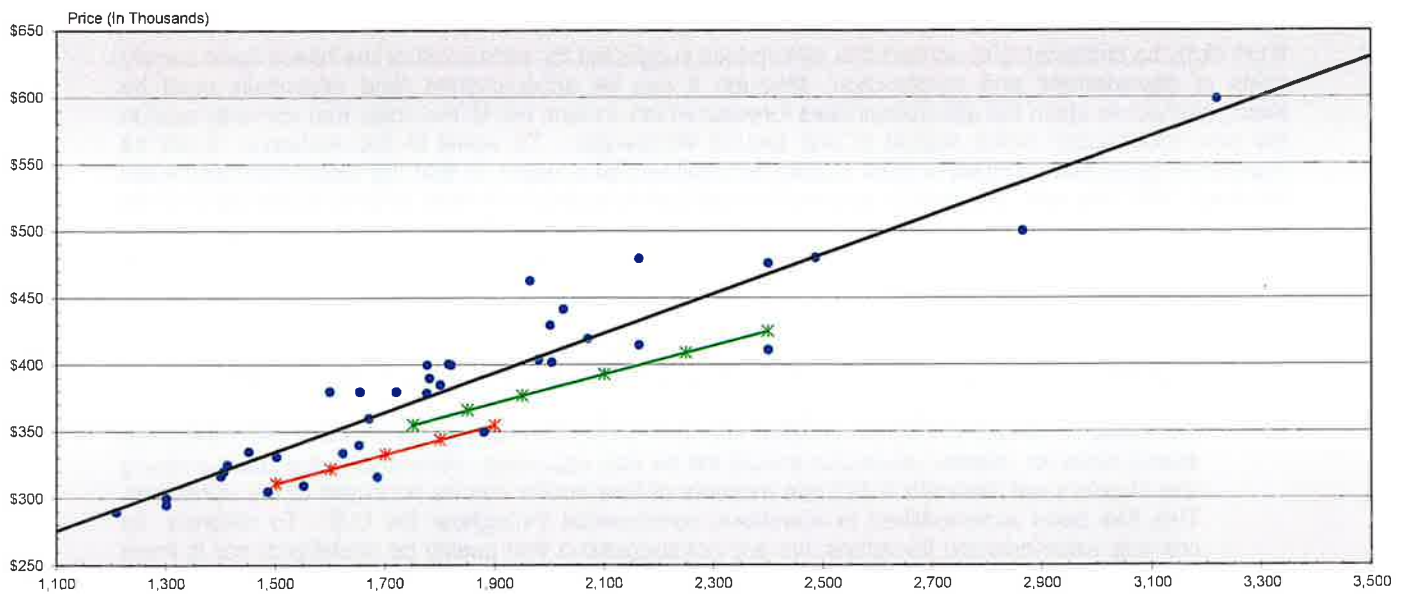


Conventional Single Family Ranch Plan



8

Price/Value Analysis
New Construction Single Family Closings: July 2022 - May 2023
Whitewater Market Area



Development



Price/value analysis uses a scatter diagram to graphically represent a set of observations found in today's marketplace, specifically the square footage of models offered and their associated sales prices. Regression analysis is then used to fit a line through the set of market observations that represent the "best fit" or average market line. This market line can then be used to predict the performance of a new, untested product line or offer explanations regarding the sales rate of currently available product lines.

Source: Tracy Cross & Associates, Inc.

2023.05 UAD

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- ☐ Once value-engineering has taken place, and efficient/cost effective plans and buildings are designed, these efficiencies must be conveyed to all subcontractors for bidding purposes. *This may become a critical element to ultimately achieving the suggested rents/prices.*
- ☐ None of the for sale product lines should offer standard (included) basements, although the option for a basement can (and should) be made available in most series (as indicated).
- ☐ In achieving higher densities, strong consideration should be placed on “to the street” product, smaller lots, along with front-to-back living (i.e., narrower units). At the same time, the mixing of products within neighborhood areas will help improve densities, while also establishing a desirable architectural landscape.
- ☐ Finally, outdoor living space for each residence (among all product lines) is essential; however, it need not be extensive. Specifically, private balconies for the garden apartments and for sale townhomes will be sufficient, along with private courtyards/patios and side/back-yards for the attached ranch villas and single family homes.

POTENTIAL INCENTIVES

Even with a disciplined planning and design approach, it is possible that some incentives or concessions might also be necessary to bring the *for sale products* (as positioned) to market. This will need to be determined through the planning process but may include some form of land cost relief (if possible), Tax Increment Financing (TIF) assistance or something similar. For the rental products, it is unlikely that incentives/concessions would be required at benchmark rents.

PRODUCT CLARIFICATION

Please keep in mind that while our product guidelines are very specific, there are a number of derivatives to each of the recommended generic forms that could evolve through the design efforts of individual builders/developers – or through the overall planning process. However, when considering any derivatives during the course of the planning process, it is still important to follow the general parameters outlined for each of the recommended products relative to unit types, bedroom/bathroom counts, rents, prices, garage conditions, etc., in order to insure acceptable absorption and/or sales, and most importantly, the appeal to the mainstream of the market who are currently disenfranchised by the lack (or limited amount) of similar products.

In addition, consideration can be given to the introduction of other generic forms based upon the imbalance that exists market-wide between supply and demand – but done so with the same general planning strategy in mind – that being differentiation, efficiency, tasteful architecture, and rent/price positioning.

GEOGRAPHIC AND COMMUNITY POSITIONING

Given such severe supply-side constraints in the new construction housing market, practically any suitable location within Whitewater could be considered for residential development or redevelopment. With this said, however, it is strongly suggested that the rental housing products (in particular) be removed from the immediate environs of the University as they are to be marketed to the workforce not to students. ***For example, the vacant multifamily parcel located along S. Moraine View Parkway near Jakes Way represents an appropriate candidate for the suggested garden apartment community at a density of roughly 16 units per acre.***

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The City of Whitewater (and its stakeholders/development partners) should also give strong consideration to the creation of a master-planned community whereby multiple product lines (if not all product lines) would be introduced within a large land assemblage, albeit with the various products offered in separate (but possibly integrated) neighborhood areas, development pods or phases. Such a community could become a **destination point development** whereby a full hierarchy of residential products are combined with heavy landscaping and hardscaping, together with amenities such as pocket parks, walking/jogging/biking trails, playgrounds, sport courts, open space areas, etc. – *representing a true lifestyle environment*. Such a development in the new construction sector is absent in the Whitewater Market Area and would most certainly allow the city of Whitewater to capture a disproportionate share of market-wide demand, while also inducing spillover from other areas.



Guiding principles for establishing a destination-point master-planned community are highlighted below:

- ☐ To provide strong community infrastructure created around a theme of livability, functionality, walkability, and recreation/convenience.
- ☐ To create a community where emphasis is placed on all segments of the market ranging from younger childless singles and couples to families living, playing, and growing together; and where active adult residents can see and experience the vibrancy of youth. Establishing this reality includes the combination of all products with appropriate, but minimally expensive, amenities.
- ☐ To create a community in which a variety of densities are carefully combined with pocket parks and other recreational uses – and that all are highly integrated and exposed for everyone to enjoy. Like the architecture and design of the homes, the land plan must be very efficient as well.



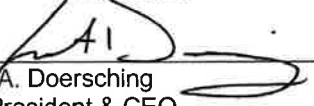
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CERTIFICATION AND SIGNATURE

This analysis represents our objective and independent opinion regarding the market potential for new construction residential development in Whitewater, Wisconsin as certified below:

TRACY CROSS & ASSOCIATES, INC.

An Illinois Corporation

By: 
Erik A. Doersching
Its: President & CEO

Date: June 30, 2023



GENERAL LIMITING CONDITIONS

Tracy Cross & Associates, Inc. has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with developers/property managers and their agents, government officials, and other third parties. Although Tracy Cross & Associates, Inc. believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information provided by third parties.

Conclusions and recommendations established in this analysis represent a professional opinion and are based upon forecasts into the future which could be significantly altered by outside occurrences. These include, among others, the possible interplay of unforeseen social, economic, physical/environmental, and governmental actions. In this regard, Tracy Cross & Associates, Inc., its owners, and its employees shall be held harmless of changes in conditions that may materially result from these occurrences.



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Date: August 25, 2026

To: Finance Committee

From: Rachelle Blitch, Director of Financial and Administrative Services

Re: Capital Improvement Policy Update

At the April 28th meeting, the Finance Committee reviewed the introductory memo outlining the foundational elements for updating the City's Capital Improvement Policy. The plan was to address three components each month until the full update was completed. That process concluded at the July 28th meeting, and the draft policy was subsequently shared with department heads for feedback. The policy is now being brought back to the Committee for revisions and review.

During the departmental review, staff expressed the need for clearer direction and defined expectations regarding the quarterly reporting requirements. To support consistency and improve the effectiveness of capital planning across all departments, we are requesting additional guidance from the Committee on what should be included in these quarterly reports and how they should be structured. Staff will incorporate the Committee's feedback into the final draft of the policy and bring the updated version back at the next meeting for final approval and recommendation to the Common Council.

		Policy 501.04.02 Capital Improvements Program			
Owner:	Finance Director	Approving Position:	Common Council	Pages:	2
Issue Date:	10/16/2001	Revision Date:		Review Date:	
Special Instructions:					

PURPOSE

The purpose of the Capital Improvement Plan (CIP) Policy is to establish a clear, consistent framework for planning, prioritizing, financing, and managing the City's capital assets in a manner that supports long-term service delivery, financial sustainability, and responsible stewardship of public resources. This policy ensures that capital investment decisions are aligned with the City's strategic goals, informed by reliable data, and developed through a transparent and collaborative process. The CIP Policy provides guidance for evaluating capital needs, determining funding strategies, and maintaining the City's infrastructure in accordance with Government Finance Officers Association (GFOA) best practices.

A capital project is a major, non-recurring investment in a physical asset that supports the delivery of public services and has a useful life of ***at least five years***. Capital projects typically involve the acquisition, construction, expansion, renovation, or major repair of City infrastructure, buildings, equipment, technology systems, or other long-term assets.

To qualify as a capital project under this policy, an expenditure should generally:

- Exceed the City's established capital cost threshold of \$10,000
- Create a new asset, extend the useful life of an existing asset, or significantly enhance its capacity or functionality
- Require planning, design, or engineering, or involve multiple phases or funding years
- Be included in the City's multi-year Capital Improvement Plan (CIP)

Examples include street reconstruction, facility construction or renovation, major park improvements, fleet replacement cycles, utility system upgrades, and large-scale technology replacements.

Funding Philosophy

The City will use a balanced and strategic approach to financing capital projects that supports long-term financial sustainability, maintains stable tax and utility rates, and aligns with Government

Finance Officers Association (GFOA) best practices. Funding decisions will consider project type, useful life, cost, urgency, and the City's overall financial capacity.

Use of Sinking Funds (Pay-As-You-Go Financing)

Sinking funds will be used to finance capital projects that are lower in cost, recurring in nature, or have a shorter useful life. Pay-as-you-go funding reduces reliance on debt, minimizes interest costs, and promotes long-term financial discipline. Projects are generally appropriate for sinking fund financing when they meet one or more of the following criteria:

- The project has a useful life of less than the term of typical debt (generally under 10 years).
- The project is recurring or ongoing, such as equipment replacement cycles, technology upgrades, or routine infrastructure maintenance.
- The project cost is modest and can be reasonably absorbed within annual budget capacity or planned reserve contributions.
- The City seeks to avoid interest costs or maintain flexibility in future debt capacity.
- The project can be anticipated and saved for in advance through annual sinking fund contributions.

This approach aligns with GFOA's recommendation to use pay-as-you-go financing for shorter-lived assets and to maintain reserves for predictable capital needs.

Use of Bonding (Debt Financing)

Bonding will be used for major capital projects that provide long-term community benefit and have a useful life that extends well beyond the term of the debt. Debt financing spreads the cost of large investments over the generations of taxpayers who will benefit from the asset. Projects are generally appropriate for bonding when they meet one or more of the following criteria:

- The project has a long useful life (typically 10–30 years).
- The project represents a significant, non-recurring investment, such as new facilities, major infrastructure reconstruction, or system expansions.
- The project cost exceeds the City's ability to fund through annual revenues or reserves without causing rate or tax instability.
- The project is urgent or time-sensitive, and delaying it to accumulate sinking funds would increase costs or create service risks.
- The project supports intergenerational equity, ensuring that future users share in the cost of long-term assets.

This approach aligns with GFOA's guidance to match the financing term to the asset's useful life and to use debt strategically for large, long-lived capital investments.

Balancing Pay-As-You-Go and Debt Financing

The City will maintain a balanced capital financing strategy that:

- Preserves debt capacity for major infrastructure needs

- Uses sinking funds to reduce long-term borrowing costs
- Avoids deferring maintenance that leads to higher future expenses
- Promotes predictable and stable tax and utility rates
- Ensures that capital planning supports long-term financial sustainability

The City will regularly evaluate its mix of pay-as-you-go and debt financing as part of the annual CIP and budget process, consistent with GFOA best practices.

CIP Time Horizon

The City will maintain a rolling multiyear Capital Improvement Plan covering a minimum of five years, consistent with GFOA best practices for long-range capital planning. The CIP will identify anticipated capital needs, planned project schedules, and projected funding sources over the planning horizon. While the first year of the CIP will represent the capital budget to be formally adopted by the Common Council, the remaining years will serve as a long-term planning tool and will be updated annually to reflect evolving priorities, financial capacity, and asset condition data.

The CIP time horizon will:

- Provide a forward-looking view of infrastructure needs to support long-term service delivery
- Allow for coordinated planning across departments and utilities
- Support forecasting of debt levels, sinking fund requirements, and operating impacts
- Ensure that major projects are evaluated in the context of the City's long-term financial sustainability

Departments will review and update their capital needs annually, and the Finance Director will coordinate the development of the full CIP for Council consideration.

Project Priority Criteria

To ensure that capital investments are aligned with community needs, financial capacity, and strategic goals, the City will evaluate and prioritize projects using a consistent set of criteria. Projects that have completed necessary planning, design, permitting, or land acquisition and can be implemented within the CIP timeframe. Projects will be ranked based on their relative importance, urgency, and impact. Priority criteria include, but are not limited to:

1. Legal or Regulatory Mandates

Projects required to comply with federal, state, or local laws, court orders, safety regulations, or environmental standards.

2. Asset Preservation and Risk Mitigation

Projects that address failing infrastructure, safety hazards, or risks that could lead to service disruption, liability exposure, or higher future costs if deferred.

3. Financial Impact and Cost-Effectiveness

Projects that reduce long-term operating costs, leverage grants or external funding, or demonstrate strong lifecycle value.

4. Community Benefit and Equity

Projects that improve quality of life, support underserved areas, or advance equitable access to City services and infrastructure.

5. Service Level Improvement or Capacity Expansion

Projects that enhance service delivery, improve operational efficiency, or expand capacity to meet growing community needs.

The City may use a scoring matrix or tiered ranking system to support transparent and consistent prioritization.

Priority		Purpose	
1	Mandated/Immediate	1	Safety & Compliance
2	Critical need/obligated within 12 months	2	Existing equipment/Facility is obsolete
3	Preventative need/Public benefit/1-2 years	3	Replace end of life equipment
4	Improvement benefit/Desired want/2-3 years	4	Creates efficiencies/Operational cost savings
5	Maintain/Public Want/ 3+ years	5	Improve policies/procedures
		6	Expanded/New Program or service

Financial Guardrails

To maintain long-term financial stability and ensure responsible stewardship of public resources, the City will adhere to the following financial guardrails when developing and implementing the CIP:

1. Debt Capacity Limits

The City will monitor and manage its debt levels to remain within established policy limits, including ratios related to debt service as a percentage of expenditures, statutory debt limits, and credit rating agency benchmarks.

2. Pay-As-You-Go Funding Targets

The City will maintain adequate sinking funds and annual contributions to support recurring capital needs and reduce reliance on debt for short-lived assets.

3. Operating Budget Impact Analysis

All capital projects will include an assessment of future operating and maintenance costs. Projects will not be advanced unless the City can reasonably support the ongoing financial impact.

4. Lifecycle Cost Consideration

Project evaluation will incorporate total cost of ownership, including design, construction, operations, maintenance, and eventual replacement or decommissioning.

5. Use of One-Time Revenues

One-time revenues (e.g., fund balance, land sale proceeds, grants) will be used for one-time capital investments and not for ongoing operating costs.

6. Preservation of Reserves

The City will maintain adequate general fund and utility reserves to protect against economic volatility and unforeseen capital needs. CIP decisions will not compromise required reserve levels.

7. Grant and External Funding Management

Projects relying on grants or external funding must have confirmed or reasonably expected funding commitments before inclusion in the adopted CIP. If a project included in the borrowing plan is contingent upon grant funding and that grant is not awarded, the budgeted borrowing authority will be reallocated to the highest-ranked eligible project for which the available funding is sufficient.

8. Avoidance of Deferred Maintenance

The City will prioritize maintenance and replacement of existing assets to avoid higher long-term costs and service degradation.

Annual CIP Process and Committee/Council Role

The City shall maintain a formal annual Capital Improvement Plan (CIP) process to guide long-term planning, prioritization, and financing of capital projects. The CIP will cover a minimum five-year planning horizon and will be updated each year as part of the budget process.

Departments are responsible for submitting complete project proposals, including scope, justification, cost estimates, operating impacts, and potential funding sources.

The **Finance Committee** plays a central role in the CIP process by:

- Reviewing the proposed CIP and ensuring alignment with strategic goals, comprehensive plans, and financial policies.
- Evaluating project prioritization, funding strategies, and long-term affordability.
- Holding public meetings to consider staff recommendations and community input.
- Recommend the adoption of the CIP to Common Council, which authorizes the planning framework but does not constitute a funding commitment.

The **Common Council** plays a central role in the CIP process by:

- Adopting the CIP by way of a budget resolution, and
- Approving annual appropriations and any associated borrowing required to implement the first year of the CIP.

Adoption of the CIP serves as a policy guide for future capital planning and financial decision-making.

Public Engagement Expectations

The City is committed to ensuring that the CIP process is transparent, accessible, and responsive to community needs. Public engagement shall be incorporated into the CIP process in the following ways:

- **Public Notice and Access:** The draft CIP shall be made available to the public in advance of Council deliberations through the City’s website and other communication channels.
- **Public Meetings:** The City shall provide opportunities for public comment during Council and committee meetings where the CIP is discussed.
- **Community Input:** Departments are encouraged to seek community feedback on major capital projects, particularly those with significant neighborhood, environmental, or financial impacts.
- **Clear Communication:** CIP documents shall be written in a clear, understandable format, including project descriptions, timelines, funding sources, and anticipated operating impacts.
- **Equity Consideration:** Public engagement efforts should strive to include diverse community voices and ensure equitable access to information.

Public input will be considered in project prioritization and funding decisions but does not guarantee project inclusion.

Reporting and Monitoring Requirements

To ensure accountability, transparency, and effective project delivery, the City shall maintain ongoing reporting and monitoring of CIP projects:

- **Quarterly Reporting:** Staff shall provide quarterly updates to the Common Council summarizing project status, expenditures, schedule changes, and any emerging issues.
- **Annual CIP Review:** As part of the annual budget process, staff shall present a comprehensive review of the prior year’s CIP performance, including completed projects, cost variances, and lessons learned.
- **Financial Monitoring:** The Finance Department shall track capital project budgets, funding sources, and remaining balances, ensuring compliance with adopted appropriations and financial policies.
- **Project Management Oversight:** Departments are responsible for monitoring project progress, managing contracts, and reporting delays or scope changes. Significant deviations from the approved plan must be reported to the City Manager and Council.
- **Public Transparency:** Updated project information, including timelines and financial summaries, shall be made available to the public through the City’s website or other communication platforms.
- **Post-Project Evaluation:** Upon completion of major projects, staff may prepare a close-out report summarizing final costs, schedule performance, and operational impacts.

These reporting requirements ensure that the CIP remains a living document and that the City maintains strong stewardship of public resources.

Date: August 25, 2026

To: Finance Committee

From: Rachelle Blitch, Finance & Administrative Services Director

Re: 2027 Municipal Budget Calendar

As we begin the 2027 budget season, it is essential to update the budget calendar timeline for this year. Traditionally, the Finance Committee holds three special meetings in late September/early October to review departmental budgets. These meetings provide the committee with the opportunity to engage with staff and ask more in-depth questions regarding any budgetary changes or requests. Ideally, these meeting dates should be finalized at the August meeting, allowing sufficient time to coordinate with individual directors and ensure their availability for discussion. This also presents a good opportunity to review the individual tasks within the budget process and determine if any adjustments are necessary, whether that involves adding new tasks or removing existing ones. Staff recommends an additional meeting to discuss capital projects.

Finalizing these details early will help ensure a smooth and efficient budget review process. Your timely input and collaboration are crucial to making this year's budget cycle successful. Please be prepared to discuss and confirm the proposed dates and any potential adjustments at our upcoming meeting. Below is a list of available dates in late September and October. Please review your schedules in advance and be prepared to list the times that work for you. Thank you for your attention to this important matter.

<u>Dates</u>	<u>Potential Conflicts</u>
Tuesday, September 29, 2026	
Monday, October 5, 2026	
Wednesday, October 7, 2026	Landmarks
Thursday, October 8, 2026	
Monday, October 12, 2026 @ 4:30 p.m.	PARC Meeting
Wednesday, October 14, 2026	
Thursday, October 15, 2026	CDA Meeting & WAFC
Monday, October 19, 2026	
Wednesday, October 21, 2026	Parks & Rec
Thursday, October 22, 2026	
Monday, October 26, 2026	
Wednesday, October 28, 2026	
Thursday, October 29, 2026	

2027 Municipal Budget Calendar	Section Start	Section Complete	Who	Target Timeline
Departments #1: 2027-2030 CIP, review for changes			MT	Fri, July 31, 2026
Departments #2: Capital Asset Worksheets due			MT	Fri, July 31, 2026
Departments #3: Review projections for payroll and personnel	Monday, July 6, 2026	Friday, July 31, 2026	MT	Fri, July 31, 2026
Depart. Directors Meeting - Budget Kick-Off			MT	Wed, Aug 5, 2026
Departments #4: Review projections for revenue and expenses	Wednesday, August 5, 2026	Friday, August 21, 2026	MT	Fri, Aug 21, 2026
Finance Committee			FC	Tues, Aug 25, 2026
Common Council Meeting			CC	Tues, Sept 1, 2026
Fin. Dir. Meetings w/ Dept Heads - Guidance/Questions	Monday, August 24, 2026	Friday, September 4, 2026	MT	Fri, Sept 4, 2026
Departments #5: Complete Operating Budget sections	Tuesday, September 8, 2026	Friday, September 18, 2026	MT	Fri, Sept 18, 2026
Common Council Meeting			CC	Tues, Sept 15, 2026
Review of department budgets by the city manager	Monday, September 21, 2026	Friday, September 25, 2026	MT	Fri, Sept 25, 2026
Finance Committee			FC	Tues, Sept 22, 2026
Staff drafts document narrative, budget summary, and budget graphics.	Monday, September 22, 2025	Friday, October 3, 2025	MT	Fri, Oct 3, 2025
Produce Budget Update Document - Distribute in Council Packet			MT	
City Manager provides budget presentation to the Common Council along with the complete draft budget document.			CC	Tues, Oct 7, 2025
Finance Committee Review, Department Q&A:			FC	**NEED DATE
Finance Committee Review, Department Q&A:			FC	**NEED DATE
Post Notice of Public Hearing				
Finance Committee Review, Department Q&A:			FC	**NEED DATE
Finance Committee Review, Department Q&A:			FC	**NEED DATE
Common Council Meeting			CC	Tues, Oct 21, 2025
Finance Committee			FC	Tues, Oct 27, 2026
Staff assembles and presents draft budget for final internal review.			MT	Thurs, Oct 30, 2025
Common Council Meeting - Distribution of Final 2026-2027 Budget Document			CC	Tues, Nov 4, 2025
Public hearing and Possible adoption of the municipal budget and establishment of Municipal Levy for 2026			CC	Tues, Nov 18, 2025

CC = Common Council MT = Management Team FC = Finance Committee



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August 18, 2026

Fire/EMS Department Fund Balance Policy

Purpose

The purpose of this policy is to establish guidelines for maintaining an appropriate undesignated fund balance in the Fire/EMS operating account and to outline the use of any excess funds in support of stable financial operations and long-term capital needs.

Undesignated Fund Balance Requirement

The Fire/EMS operating account shall maintain an undesignated fund balance equal to **20 percent of annual operating expenditures**. This level is intended to ensure financial stability, support cash flow needs, and provide a buffer for unforeseen emergencies or revenue fluctuations.

Use of Excess Fund Balance

If the undesignated fund balance exceeds the 20 percent requirement at year-end, the excess funds may be used for the following purposes:

- 1. Reduction of the General Fund Transfer**

Excess funds may be applied to reduce the amount of general fund support required for Fire/EMS operations in the subsequent budget year.

- 2. Transfer to the Capital Fund**

Excess funds may be transferred to the Fire/EMS capital fund to support future capital purchases, equipment replacement, facility needs, or other long-term capital investments.

Administration and Review

The Fire/EMS chief and/or designee, in coordination with the Finance Director and/or designee, will monitor fund balance levels annually and recommend actions consistent with this policy during budget development. This policy will be reviewed periodically and updated as necessary to ensure continued financial stability and alignment with broader municipal financial policies.