



AGENDA ITEM # 9A

AGENDA ITEM EXECUTIVE SUMMARY

Village Board Meeting

January 28, 2019

Item Title: E. Irving Park TIF: Regarding utilizing S.B. Friedman & Company in the study and creation of a TIF

Staff Contact: Patrick N. Watkins, Community Development Director

VILLAGE BOARD ACTION

Adopt a resolution authorizing the Mayor to execute a contract between the Village of Roselle and S.B. Friedman & Company for an amount not to exceed \$35,800 for the evaluation of eligibility and to identify an optimal boundary for a potential TIF District and, if eligible, to establish a redevelopment project area plan, project document, and budget for the E. Irving Park Road corridor.

Executive Summary:

Per the direction of the Committee of the Whole on 1/14/19, staff has prepared a contract (reviewed by the Village Attorney) to utilize the services of S.B. Friedman & Company to help the Village establish a TIF District along E. Irving Park Road. The Village Board has identified a strategy to develop the area near the Roselle Metra Station with higher density developments and to establish a connection with the existing developed Main Street area. The study of the area for a TIF allows a financial mechanism to leverage both private development as well as public improvements necessary to establish a connection between the Roselle Train Station and the original Town Center.

Implications:

Is this item budgeted? The budget is being amended to pay the full costs of these services during 2019. Originally, the budgeted amount was divided over two years (\$20,000 each year). The amended line item is #1051412061270.

Any other implications to be considered? None

Attachments:

Resolution Authorizing Execution of Contract

RESOLUTION 2019-

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT BETWEEN THE VILLAGE OF ROSELLE AND S.B. FRIEDMAN & COMPANY FOR AN AMOUNT NOT TO EXCEED \$35,800 FOR THE EVALUATION OF ELIGIBILITY AND TO IDENTIFY AN OPTIMAL BOUNDARY FOR A POTENTIAL TIF DISTRICT AND IF ELIGIBLE TO ESTABLISH A REDEVELOPMENT PROJECT AREA PLAN, PROJECT DOCUMENT, AND BUDGET, FOR THE EAST IRVING PARK ROAD CORRIDOR

WHEREAS, the Village of Roselle is an Illinois municipal corporation located in DuPage and Cook Counties, Illinois (hereinafter "Village"); and,

WHEREAS, S.B. Friedman & Company is a professional services company with offices located at 221 N LaSalle Street, Suite 820, in Chicago, Illinois; and,

WHEREAS, S.B. Friedman & Company meets the criteria concerning experience in studying, determining eligibility, and establishing TIF Districts and responded with a proposal in the amount of up to \$35,800; and,

WHEREAS, the Mayor and Board of Trustees of the Village deem it in the best interests of the Village to enter into an Agreement with S.B. Friedman & Company for the tasks related to performing the services described in Exhibit A which is attached hereto and incorporated herein as fully set forth, and,

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Board of Trustees of the Village of Roselle, DuPage and Cook Counties, Illinois, that the Mayor is hereby authorized to execute that certain "Contract for Professional Services" between the Village of Roselle and S.B. Friedman & Company which is attached hereto and incorporated herein as fully set forth as "Exhibit 1 ."

ADOPTED THIS 28th day of January, 2019.

AYES:

NAYS:

ABSENT:

VILLAGE OF ROSELLE:

ATTEST:

Patricia E. Burns
Clerk, Village of Roselle, Illinois

Andrew J. Maglio
Mayor, Village of Roselle, Illinois

**CONTRACT BETWEEN THE VILLAGE OF ROSELLE AND SB FRIEDMAN FOR
PROFESSIONAL SERVICES**

THIS CONTRACT is made and entered into by and between the Village of Roselle, an Illinois Municipal Corporation (hereinafter the "Village"), and S.B. Friedman, an Illinois corporation (hereinafter the "Consultant").

WITNESSETH

WHEREAS, the Village of Roselle is an Illinois municipal corporation located in DuPage and Cook Counties, Illinois (hereinafter "Village"); and,

WHEREAS, S.B. Friedman & Company is a professional services company with offices located at 221 N LaSalle Street, Suite 820, in Chicago, Illinois; and,

WHEREAS, S.B. Friedman & Company meets the professional criteria for studying, determining eligibility, and supporting the establishment of TIF Districts and agrees to provide the necessary consulting services upon the terms set forth herein in the amount of up to \$35,800; and,

WHEREAS, the Mayor and Board of Trustees of the Village deem it in the best interests of the Village to enter into an Agreement with S.B. Friedman & Company to perform the services described in "Exhibit A" which is attached hereto and incorporated herein as fully set forth as Exhibit A.

NOW, THEREFORE, in consideration of the mutual promises, terms, and conditions set forth herein, the parties agree as follows:

1. Recitals. The foregoing recitals are incorporated herein as substantive provisions.

2. Scope of Services. Consultant shall perform the services described in its proposal dated October 31, 2018, which is attached hereto and incorporated herein as if fully set forth as Exhibit A, hereinafter the "Work." If any portion of this Agreement is inconsistent with Exhibit A, this Agreement shall control but only to the extent of such inconsistency.
3. Standard of Care. Consultant represents and warrants that it shall perform the Work in a manner consistent with the level of care and skill customarily exercised by other professional consultants under similar circumstances at the time the services are performed.
4. Compensation. The total amount to be paid to the Consultant for the Work shall not exceed the sum of \$35,800.00 as described. All payment requests shall itemize in detail the services performed. The Village shall pay the Consultant in accordance with its routine payment schedule.
5. Additional Services. Consultant shall perform only those services specified herein. In the event Consultant or the Village determines that additional services are required to complete the project, such additional services shall not be performed unless directed in writing by the Village. Payment for additional services shall be as mutually agreed upon by the parties.
6. Hold Harmless and Indemnification. Each of the parties (the "Indemnitor") shall indemnify and hold the other party (the "Indemnitee") and the Indemnitee's directors, officers, employees, and agents harmless from and against any and all costs, losses, liabilities, claims, demands, damages, fines, penalties, and expenses, including but not limited to, reasonable

attorneys' fees and costs of litigation, and all causes of action of any kind or character, except as otherwise provided herein, to the extent that such matter arises [or may be alleged to have arisen] from any of the following:

- a) The Indemnitor's breach of any term, provision, warranty, standard or requirement of this Agreement including, but not limited to, those provisions, of this Agreement pertaining to the Indemnitor's services, including the costs of defense of any claims that such services were inadequate or failed to conform to the terms of the Prime Contract;
- b) The negligence or willful misconduct of the Indemnitor, its employees, agents, representatives, and subcontractors; or
- c) Indemnitor's unauthorized involvement beyond those services contemplated hereunder.

In the event that any claim for indemnification hereunder arises from the negligence or willful misconduct of both the Contractor and Subcontractor, the parties agree that any and all liabilities, losses, claims, demands, damages, fines, penalties, costs, and expenses shall be apportioned between the parties on the basis of their comparative degrees of fault.

Nothing in this hold harmless and indemnification section shall be interrupted to waive, release or otherwise compromise in any manner any common law or statutory privilege or immunity of the Village. All such immunities and privileges being specifically reserved in full. Consequently, the Village shall not be liable to hold harmless or indemnify the Consultant for errors, acts and omission, unless those errors, acts and omissions are

not subject to statutory or common law immunities. There are no third party beneficiaries of this Agreement.

7. Insurance. Unless otherwise authorized in writing by the Village Administrator, Consultant shall maintain during the term of this Contract insurance coverage which will satisfactorily insure Consultant and, where appropriate, the Village against claims and liabilities which may arise out of the services referred to in this Contract. Such insurance shall be issued by companies authorized to do business in the State of Illinois and approved by the Village. This insurance coverage shall include, but not necessarily be limited to, the following:
- a) Worker's Compensation insurance with limits as required by the applicable statutes of the State of Illinois. The Employer's Liability coverage under the Worker's Compensation policy shall have limits of not less than \$500,000 each accident/injury; \$500,000 each employee/disease; \$500,000 policy limit.
 - b) Commercial general liability insurance protecting Consultant against any and all public liability claims which may arise in the course of performance of this Contract. The limits of liability shall be not less than \$1,000,000 each occurrence bodily injury/property damage combined single limit and \$2,000,000 aggregate bodily injury/property damage combined single limit. The policy of commercial liability insurance shall provide "occurrence" based

coverage and shall include contractual liability coverage and an endorsement naming the Village as an additional insured.

- c) Commercial automobile liability insurance covering Consultant's owned, non-owned and leased vehicles which protects Consultant against automobile liability claims whether on or off the Village's premises with coverage limits of not less than \$1,000,000 per accident bodily injury/property damage combined single limit. The policy of commercial liability insurance shall include contractual liability coverage and an endorsement naming the Village as an additional insured.
- d) Umbrella or Excess liability insurance with limits of not less than \$1,000,000 per occurrence bodily injury/property damage combined single limit. The Umbrella or Excess coverage shall apply in excess of the limits stated in subparagraphs (b) and (c) above and shall either include an endorsement naming the Village as an additional insured or provide "following form" coverage for the primary insurance.
- e) Professional liability insurance with limits of not less than \$1,000,000 per claim covering Consultant against all sums which Consultant may become obligated to pay on account of any liability arising out of performance of the professional services for the Village under this Contract when caused by any negligent act, error or omission of Consultant or of any person employed by Consultant or any others

whose actions Consultant is legally liable. The professional liability insurance shall remain in force for a period of not less than four years after the completion of the services to be performed by Consultant under this Contract.

8. Evidence of Insurance. Consultant shall furnish the Village with a certificate of insurance and, upon the Village's request, copies of all insurance policies and endorsements thereto evidencing the coverage stated above. The insurance certificates and policies shall provide that no cancellation or modification of the policies shall occur without at least 30 days' written notice to the Village. Consultant shall not commence any services under this Contract until evidence of the required insurance is received and approved by the Village.
9. Compliance with Laws. Consultant shall comply with all applicable federal, state and local laws, rules and regulations, and with all Village ordinances, rules and regulations now in force or hereafter enacted in the performance of the Work.
10. Control of Services. Consultant is an independent contractor in the performance of the work. The Village shall not be responsible for or have control over the means, methods, techniques or procedures with respect to the performance by Consultant of the services in this Contract.
11. Termination of Contract. If Consultant fails to perform according to the terms set forth herein, the Village may terminate this Contract upon seven days' written notice to Consultant. In the event of a termination, the Village

shall pay Consultant for the services performed and expenses incurred as of the effective date of termination, less any sums attributable, directly or indirectly, to Consultant's breach. The written notice required under this paragraph shall be either (a) served personally during regular business hours; (b) served by facsimile during regular business hours; or (c) served by certified or registered mail, return receipt requested, addressed to the address listed at the end of this Contract with postage prepaid and deposited in the United States mail. Notice served personally or by facsimile transmission shall be effective upon receipt, and notice served by mail shall be effective upon receipt as verified by the United States Postal Service. The Village may terminate this agreement in writing with cause at any time, or without cause upon completion of any Work tasks described in Exhibit A. In the event of non-cause termination, the Village will pay the Consultant all sums due up to the date of the non-cause termination.

12. Recovery of Costs. In the event the Village required to institute any proceeding or action, whether legal or equitable, to enforce any provision of this Contract, the Village shall be entitled to recover all costs and expenses incurred as a result of said action or proceeding, including reasonable expert witness and attorney fees.
13. Ownership of Deliverables & Release of Information. All reports, and studies, regardless of whether in written, electronic or other format, prepared or generated by Consultant in connection with performing the services provided for herein shall be regarded as the sole and exclusive

property of the Village and shall not be utilized by Consultant in any manner on other projects or distributed to third parties without the prior written consent of the Village. In addition, any information provided by the Village to Consultant in connection with Consultant's performance of the services provided for herein and all information associated with Consultant's work product shall remain confidential and shall not be disclosed to any third party without the prior written consent of the Village.

- 14. Integration. The provisions set forth herein represent the entire agreement between the parties and supersede all prior agreements, promises and representations, as it is the intent of the parties to provide for a complete integration within the terms of this Contract. This Contract may be modified only by a further written agreement between the parties, and no modification shall be effective unless properly approved and executed by each party.
- 15. Law and Jurisdiction. This Contract shall be governed by the laws of the State of Illinois. Exclusive jurisdiction and venue for any and all disputes, disagreements, actions, causes of action or claims related to this Contract or the Work shall be in the Eighteenth Judicial Circuit Court, DuPage County, Illinois.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the parties have entered into this Contract as of the

_____ day of _____, 20_____.

VILLAGE OF ROSELLE
31 S. PROSPECT
ROSELLE, IL 60172

S.B. FRIEDMAN & COMPANY
221 N. LASALLE STREET
CHICAGO, IL 60601

BY: _____

President

BY: _____

President

Attest: _____

Clerk

Attest: _____

Secretary

October 31, 2018

Mr. Patrick Watkins
Community Development Director
Village of Roselle
31 S. Prospect Street
Roselle, IL 60172

Dear Patrick:

SB Friedman Development Advisors ("SB Friedman") is pleased to present this proposal to the Village of Roselle (the "Village") to provide tax increment financing (TIF) consulting services for a potential TIF district centered around the Roselle Metra station.

This letter outlines our project understanding, proposed scope of services, timeframe and fees.

Background and Understanding

It is our understanding that the Village seeks assistance in evaluating the eligibility of and identifying an optimal boundary for a potential TIF district centered around the Roselle Metra station (the "Study Area"), as shown in **Map 1** on the following page. We estimate that the Study Area includes 80 to 90 parcels of land. We would be responsible for conducting an Eligibility Reconnaissance Study, developing a TIF District Redevelopment Plan and Project, and attending public meetings and hearings required for district adoption.

We understand that the area under consideration for inclusion in a new TIF district ("Downtown TIF") appears to contain both improved and vacant land. Also, a Housing Impact Study may be required. We have included the cost of the Housing Impact Study as an additional service and will work with Village staff and the Village attorney to determine if that work is required, based on the facts found within the Study Area.

SB Friedman has broad and deep experience in all aspects of TIF, such as: TIF district designation and amendment, including housing impact studies; developing property tax increment projections for TIF assistance requests and underwriting of various financing obligations; negotiating term sheets and redevelopment agreements; and documenting and supporting TIF compliance activities. We are noted for our rigorous analyses of TIF eligibility, feasibility, and the market, fiscal, economic and related aspects of public-private development projects.

Map 1: Study Area



Approach

Under this proposed scope of services, SB Friedman will work with Village staff to conduct a full TIF designation process for the proposed Downtown TIF. We have organized our scope of services for this assignment into four primary tasks:

- 1) Conduct TIF Eligibility Reconnaissance Study
- 2) Prepare Redevelopment Plan and Project Document
- 3) Prepare Required Notices and Mailing Lists
- 4) **Support Public Approval Process**

We will begin the engagement by completing a TIF Eligibility Reconnaissance Study. This study will document the eligibility criteria across the Study Area, as required by the TIF Act. As we document eligibility findings, we will work with Village staff to identify and finalize the optimal TIF boundary. Once we have reviewed the eligibility findings with the Village and finalized the eligibility of the Study Area, we will proceed to developing the Redevelopment Plan and Project document. We will then take the project through the public notice and approval processes.

We are not yet certain whether a Housing Impact Study will be required, thus our current scope of services and budget estimate include this task as a potential additional service.

Scope of Services

Our proposed scope of services and work steps for each task are as follows:

TASK 1: CONDUCT TIF ELIGIBILITY RECONNAISSANCE STUDY

1) Conduct Project Kickoff Meeting

We will conduct a kickoff meeting with the Village to:

- Discuss the project scope and timeframe;
- Confirm the initial Study Area boundary;
- Review existing documents compiled by the Village, including the Village's 1979 (first) and current Comprehensive Plans and Current Zoning Map; and
- Identify additional key sources of data that we will need for our analysis.

2) Obtain and Examine Necessary Data

We will pursue key data to determine whether the Study Area qualifies for TIF designation, based on the criteria outlined in the TIF Act. To complete our Eligibility Reconnaissance Study, we will:

- Obtain current GIS parcel shape files (including a shape file for the Irving and Central TIF district) and/or existing base maps from the Village, and prepare internal base maps;
- Obtain and review building age data from DuPage County;
- Obtain and review five-year history of building permit data for parcels within the Study Area;
- Obtain information about infrastructure age and condition from Village staff and others, as available;
- Prepare PIN list, and order and enter taxpayer and six-year history of equalized assessed values (EAV) for the Study Area; and
- Enter, proof and map eligibility criteria, as required.

3) Conduct Fieldwork

We will conduct field research for the Study Area as a whole, and generally, the surrounding context of the Study Area, to document field-observable eligibility factors.

4) Analyze EAV Growth

We will analyze the growth in EAV over the past six years (five year-to-year periods) and compare Study Area growth to Village growth and Consumer Price Index growth over those periods.

5) Analyze Additional Eligibility Factors/Required Findings and Tests

Data will be analyzed to assess the presence and distribution of factors to establish eligibility and to meet the "but for..." and "lack of growth through private investment" requirements, as outlined in the Act. If for any reason the Study Area does not qualify for a TIF designation, we will meet with you to discuss potential strategies at that point.

6) Prepare Eligibility Reconnaissance Study Summary

An Eligibility Reconnaissance Study summary documenting the findings of our eligibility research will be prepared.

7) Conduct Call with Village

We will conduct a call with the Village and the Village attorney to discuss our findings and recommendations, and to finalize the TIF boundary. During this call, we will also confirm the assumptions to be used in developing the TIF budget, goals and objectives, and the projections of future incremental property taxes.

TASK 2: PREPARE REDEVELOPMENT PLAN AND PROJECT DOCUMENT

1) Prepare Maps of the Proposed TIF District

A series of maps of the proposed TIF district will be prepared for inclusion in the Redevelopment Plan and Project document. These maps will include: the proposed boundary, documented distribution of eligibility factors, existing land use, future land use, and acquisition parcels (if applicable).

2) Obtain Boundary Legal Description

We will engage and manage a licensed surveyor on the Village's behalf to draft a boundary legal description for the proposed TIF district. If the Village prefers to work with a particular surveyor, we will engage with that company. Otherwise, we are able to use a surveyor with whom we have worked in the past. To ensure accuracy of the boundary legal description, we will conduct a careful proof of it. We will work with DuPage County to ensure that they are comfortable with the legal description prior to filing the TIF plan with the Village Clerk.

3) Prepare Draft of Redevelopment Plan and Project (Redevelopment Plan) Document

We will prepare a Redevelopment Plan and Project document for the proposed TIF district. We assume this will represent the second half of the combined Eligibility Study and Redevelopment Plan document. As required by the Act, the Eligibility Study and Redevelopment Plan document will include:

- Redevelopment Project Area (RPA) Description
- Formal Legal Description of the RPA Boundary
- Summary of Blight/Conservation Area Conditions and Analysis of Eligibility Factors
- Redevelopment Plan Goals and Project Objectives
- Redevelopment Strategies and Activities
- Existing and Proposed Land Use
- Most Recent EAV and Estimated Future EAV
- Estimated Redevelopment Project Costs (line item budget)
- Assessment of Impacts on Other Taxing Districts
- Affirmative Action Plan
- Statement of Conformance with Other Community Plans

Preliminary projections of incremental property taxes from the TIF district will be prepared to confirm the supportable budget for the TIF plan and estimating the future EAV of the Redevelopment Project Area, as required by the Act.

The Act requires that a Housing Impact Study (HIS) be completed if the plan would result in the displacement of 10 or more occupied residential units, or if the area contains 75 or more occupied residential units and the Village does not certify that no residential displacement will occur. If required, we will conduct the HIS as an additional service.

We will prepare a final Redevelopment Plan document combining the Eligibility Study, RPA project plan and budget, legal description, appropriate maps, and other required documentation. We anticipate first preparing draft documents to be distributed to and reviewed by the Village and the Village attorney. Any revisions to the draft Plan documents will be incorporated into the final Redevelopment Plan document, which will be filed with the Village Clerk 10 days prior to introduction to the Village Board.

TASK 3: PREPARE REQUIRED NOTICES AND MAILING LISTS

1) Create Mailing Lists for Noticing

The Act requires that municipalities make a good faith effort to provide notice of the availability of the Eligibility Study and Redevelopment Plan and how to obtain the report by mail to all residential addresses within 750 feet of the boundaries of any proposed TIF district. We will prepare a map identifying this buffer area. We will conduct fieldwork to gather the addresses in this area. Additionally, we will prepare other mailing lists for noticing, as required by the Act.

Our scope includes preparation of the following mailing lists:

- Taxing Agencies and DCEO
- Taxpayers
- Taxpayers of Properties within the Proposed TIF Area for Which Taxes Were Not Paid in the Prior Year
- Residential Addresses within 750 Feet of the TIF Boundary

The Village may elect to engage a mailing company for preparation and distribution of the mailings or to prepare the mailings using Village staff resources.

2) Provide Sample Notices and Ordinances

If desired, we can provide the Village and their attorney with sample notices for mailings, public notices to be published in newspapers of general circulation, and ordinances for the adoption of the TIF district.

3) Coordinate Mailing and Noticing Process

While we assume that the Village will print and prepare the mailings, and publish required notices in local newspapers, we will coordinate with the Village to ensure all addresses are provided in a timely fashion.

We assume that the Village attorney will establish and manage a timeline for mailings, meetings and noticing, based on state law, the overall project timeline and the Village Board meeting schedule.

TASK 4: COMPLETE PUBLIC APPROVAL PROCESS

We will attend and, as appropriate, make presentations at the two key meetings that are part of the review process as provided in the Act. These meetings include the Joint Review Board Meeting and the Public Hearing. We are available for additional meetings or public presentations, as described in the Additional Services section below.

Additional Services

HOUSING IMPACT STUDY (IF DETERMINED TO BE REQUIRED)

The Act requires that a Housing Impact Study be completed as part of the Redevelopment Plan if: 1) the redevelopment plan would result in the displacement of residents from 10 or more inhabited residential units, or 2) if the proposed TIF area contains 75 or more occupied residential units, and the Village does not certify that no residential displacement will occur. We will consult with the Village and Village attorney on the need to prepare a Housing Impact Study.

In the event a Housing Impact Study is required and/or recommended, working in parallel with Task 2, SB Friedman will proceed with the following steps to prepare a Housing Impact Study per the Act:

- 1) Identify all residential units in the Study Area and categorize by type (single family, multi-family, etc.).
- 2) Estimate the income and demographic characteristics of the households residing in the housing units.
- 3) Estimate the number and types of households that could be displaced.
- 4) Identify potential replacement housing for potentially displaced households.
- 5) Draft the study.

SB Friedman will draft the study for review and comment by Village staff. It will be attached as an appendix to the Redevelopment Plan and Project document developed in Task 2 above.

The final Redevelopment Plan and Project document, along with the Housing Impact Study, will be submitted to the Village Clerk for filing as the first step in the public approval process.

OTHER ADDITIONAL SERVICES

If additional meetings are required, we are able to attend and present our findings at the billing rates provided below. We are also available to provide other TIF-related services, such as tax increment projections or financial deal reviews for projects requesting TIF assistance.

Further, should a flooding study be required, we would work with the Village to engage a professional engineer. The cost of those services would also be outside our current budget estimate.

Timeframe and Fees

Based on the scope of the work outlined herein and our experience with similar projects, we estimate it will take approximately 30 to 45 days to complete the TIF Eligibility Reconnaissance Study, 30 to 45 days to complete the Redevelopment Plan and Project, and 90 to 120 days to complete the public approval process. However, we will work with you to meet any specific deadlines, where possible.

Professional fees for our services will be based on the time required at the billing rates of the *SB Friedman* personnel assigned to the project. The scope of the engagement and our experience with similar services indicate that our professional fees and expenses will total **\$28,800**, as detailed in the budget chart on page 10 of this letter.

Task 1: Conduct Project Initiation & Eligibility Reconnaissance Study	\$10,400
Task 2: Prepare Redevelopment Plan and Project Document	\$8,400
Task 3: Prepare Notices and Mailing Lists	\$5,600
Task 4: Complete Public Approval Process	\$3,700
<u>General Expenses</u>	<u>\$ 750</u>
TOTAL SB FRIEDMAN FEES AND EXPENSES	\$28,800

<i>Additional Services: Housing Impact Study and Public Meeting</i>	<i>\$7,000</i>
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This fee estimate is based upon the detailed work steps and time budgets shown in the attached budget table. Actual billings will be based on time expended at the special project rates that are currently as follows:

Senior Vice President	\$245
Vice President	\$210
Associate Project Manager	\$180
Associate	\$150
Research Associate	\$135
Editor	\$110

Travel, publications, maps, outside data, report reproduction, and other out-of-pocket expenses will be billed as incurred without mark-up. We anticipate that the Village will publish notices in the local paper and have not included an allowance for these costs.

This fee estimate is subject to revision if the engagement entails more time than estimated due to problems that are encountered that could not reasonably have been foreseen at the commencement of the engagement or if the scope

LIMITATIONS OF ENGAGEMENT

Our report will be based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we will obtain certain information. The sources of information and bases of the estimates and assumptions will be stated in the report. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our report, and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the report to reflect events or conditions which occur subsequent to the date of the report. These events or conditions include, without limitation, economic growth trends, governmental actions, additional competitive developments, interest rates, and other market factors. However, we will be available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

Our study will not ascertain the legal and regulatory requirements applicable to this project, including zoning, other state and local government regulations, permits, and licenses. No effort will be made to determine the possible effect on this project of present or future federal, state or local legislation, including any environmental or ecological matters.

Furthermore, we will neither evaluate management's effectiveness, nor will we be responsible for future marketing efforts and other management actions upon which actual results will depend.

Preliminary TIF projections are anticipated to be prepared under this engagement for the purpose of estimating the approximate level of increment that could be generated by proposed projects and other properties within the proposed TIF district boundary and from inflationary increases in value. These projections are intended to provide an estimate of the final equalized assessed value (EAV) of the TIF district for inclusion in the final report and to provide a level of assurance that the increment to be generated would be sufficient to cover estimated project costs.

As such, our report and the preliminary projections prepared under this engagement are intended solely for your information, for the purpose of establishing a Tax Increment Financing district, and may be reviewed by private institutional lenders in support of potential debt obligations. These projections should not be relied upon by any other person, firm or corporation, or for any other purposes. Neither the report nor its contents, nor any reference to our Firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan, or other agreement or document intended for use in obtaining funds from individual investors, without prior approval.

DETAILED BUDGET

	Person:	Senior Vice President	Associate Project Manager	Associate
Special TIF Project Rates	Rate:	\$ 245	\$ 180	\$ 150
TASK 1: Conduct TIF Eligibility Reconnaissance Study				
Conduct Project Kickoff Meeting		2	2	
Obtain/Create Composite Base Maps, PIN List, Assessment Data and Files				2
Obtain/Examine Existing Reports/Data			1	4
Conduct Fieldwork			8	8
Analyze EAV Growth		1	2	4
Analyze Additional Eligibility Items		1	2	4
Draft Eligibility Reconnaissance Slides		2	4	12
Conduct Call to Discuss Eligibility Findings		1	1	
Subtotal Hours for TASK 1-Conduct Eligibility Recon Study	61	7	20	34
Subtotal Dollars for TASK 1-Conduct Eligibility Recon Study	\$ 10,415	\$ 1,715	\$ 3,600	\$ 5,100
TASK 2: Prepare Redevelopment Plan and Project Document				
Prepare Maps and Graphics			2	8
Obtain and Proof Boundary Survey/Legal Description		1	2	2
Write First Draft of Plan & Project Document		2	10	16
Make Revisions/Finalize Report		1	2	4
Subtotal Hours for TASK 2-Prepare Redevelopment Plan	50	4	16	30
Subtotal Dollars for TASK 2-Prepare Redevelopment Plan	\$ 8,360	\$ 980	\$ 2,880	\$ 4,500
TASK 3: Prepare Notices and Mailing Lists				
Meet 750 Feet Requirement/Prepare Other Mailing Lists				
A. Prepare Buffer Map				4
B. Conduct Fieldwork and Collect Addresses				16
C. Enter Addresses/Obtain Postal Information				4
D. Compile/Proof List for Mailing				4
Provide Draft Notices and Ordinances		1	1	
Coordinate Mailing and Noticing Process			2	4
Print/Package/Mail All Applicable Notices				Assumed Completed by Village
Subtotal Hours for TASK 3-Prepare Notices and Mailing List	36	1	3	32
Subtotal Dollars for TASK 3-Prepare Notices and Mailing Lis	\$ 5,585	\$ 245	\$ 540	\$ 4,800
TASK 4: Complete Public Approval Process				
Attend/Present at Joint Review Board		4	4	2
Attend/Present at Public Hearing		4	4	
Subtotal Hours for TASK 4-Complete Public Approval Proce	18	8	8	2
Subtotal Dollars for TASK 4-Complete Public Approval Proc	\$ 3,700	\$ 1,960	\$ 1,440	\$ 300
Total Hours	165	20	47	98
Total Dollars	\$ 28,060	\$ 4,900	\$ 8,460	\$ 14,700
General Expenses	\$ 750			
TOTAL BUDGET FOR TASKS 1 Through 4	\$ 28,810			
Allowance for Boundary Legal		Assumed Billed Direct to Village		
Mailing Costs and Title Company Tax Delinquency Research		None Assumed		
TOTAL ESTIMATED PROJECT BUDGET	\$ 28,810			

Potential Additional Services - Housing Impact Study				
Estimate Income Distribution and Demographic Profile of Households		1	4	6
Estimate # and Types of Households that Could Be Displaced		1	4	6
Identify Replacement Housing Options for Displaced Households/ Write-up		1	2	4
Attend and Present at Public Meeting (and prep)		4	6	0
Subtotal Hours	39	7	16	16
Subtotal Professional Fees	\$6,995	\$1,715	\$2,880	\$2,400