



**AGENDA ITEM #14B**

**AGENDA ITEM EXECUTIVE SUMMARY  
Village Board Meeting  
3/27/2023**

**Item Title:** SB Friedman – Professional Services

**Staff Contact:** Tom Dahl, Finance Director

OLD BUSINESS

**VILLAGE BOARD ACTION:**

**Adopt a resolution authorizing the Mayor to execute a contract between the Village of Roselle and SB Friedman Development Advisors for a not to exceed amount of \$59,270 for professional services related to the \$11M bond issuance for the Metro 19 garage.**

**Executive Summary:**

In 2020, SB Friedman prepared a preliminary financial feasibility analysis of the Metro 19 financing arrangement that would support the Village’s purchase of the parking garage and repayment for the developer constructed public improvements. That analysis was prepared using estimates for the 72-unit apartment building EAV and other conservative estimates.

Last year, the Village issued \$3.5M in bonds to pay for the public improvements and TIF #4 generates sufficient property tax increment to support repayment of these bonds. During discussions with bond counsel and our bond advisor during that process, it was indicated that the financial feasibility analysis needed to be updated and included with the official statement when the \$11M in bonds are issued for the parking garage. With a couple more years of known increment from the 72-unit building and the parking garage being completed, the analysis will now include more up to date figures and improved forecasting ability. The analysis should show that the property tax increment generated by TIF #4 and TIF #3 and the parking garage leases with the residents of the apartment building should provide adequate coverage of the bonds to satisfy the bond buyers.

**Implications:**

**Is this item budgeted?** No, however there is adequate fund balance in the TIF #4 East Irving Park Road Fund to pay for the analysis.

**Estimated cost:** \$59,270

**Any other implications to be considered? N/A**

**Strategic Priority:**

Financial Stewardship

**Attachments:**

Resolution Authorizing Execution of Contract for Professional Services

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**THE VILLAGE OF ROSELLE**  
DUPAGE AND COOK COUNTIES, ILLINOIS

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**RESOLUTION**  
NUMBER 2023-

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**A RESOLUTION  
AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT  
BETWEEN THE VILLAGE OF ROSELLE AND  
SB FRIEDMAN DEVELOPMENT ADVISORS  
FOR A NOT TO EXCEED AMOUNT OF \$59,270 FOR  
PROFESSIONAL SERVICES RELATED TO THE \$11M BOND  
ISSUANCE FOR THE METRO 19 GARAGE.**

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DAVID PILESKI, Mayor  
AMANDA HAUSMAN, Village Clerk

BRUCE BERKSHIRE  
WAYNE D. DOMKE  
CHERYL LENISA  
TOM DELLA PENNA  
TOM PIORKOWSKI  
LEE TREJO

Village Board

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Published in pamphlet form by authority of the  
Mayor and the Board of Trustees of the Village of Roselle  
on this the 27th day of March, 2023

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**RESOLUTION NO. 2023-**

**A RESOLUTION  
AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT BETWEEN THE VILLAGE OF  
ROSELLE AND SB FRIEDMAN DEVELOPMENT ADVISORS FOR A NOT TO EXCEED  
AMOUNT OF \$59,270 FOR PROFESSIONAL SERVICES  
RELATED TO THE \$11M BOND ISSUANCE FOR THE METRO 19 GARAGE.**

**WHEREAS**, the Village of Roselle is a municipal corporation organized pursuant to the laws of the State of Illinois possessing certain powers and perform certain functions pertaining to its local government and affairs as provided for by and through the Illinois Municipal Code and Illinois Statute;

**WHEREAS**, the Village of Roselle (hereinafter referred to as "Village") upon approval of the corporate authorities may enter into an contract with another party pursuant to Illinois Statute;

**WHEREAS**, SB Friedman Development Advisors, LLC, (hereinafter referred to as the "Consultant") is a consultant with expertise in economic development and planning and has extensive experience and expertise in conducting bond feasibility analysis studies;

**WHEREAS**, the Village has previously engaged Consultant for these services and has been extremely satisfied with the level of professionalism, safety and quality work product provided by Consultant and desires to extend the relationship related to the \$11M bond issuance for the Metro 19 garage; and

**WHEREAS**, the Village of Roselle Corporate Authorities feel that it is in the best interests of the health, welfare and safety of the residents of the Village to award the contract to SB Friedman Development Advisors, as provided for herein.

**NOW, THEREFORE, BE IT RESOLVED**, in open meeting assembled, by the Village President and Board of Trustees of the Village of Roselle, DuPage and Cook Counties, Illinois, as follows:

**Section One – Recitals**

The Corporate Authorities hereby find that all of the recitals hereinbefore stated as contained in the preamble to the resolution are full, true and correct and do hereby, by reference, incorporate and make them part of this resolution as legislative findings.

**Section Two – Approval of Contract**

The Village hereby accepts the proposal from the bidder in an amount not to exceed \$59,270 for professional services (fifty-nine thousand, two-hundred seventy dollars and no cents) and approves the contract substantially in the form attached hereto and made a part hereof as Exhibit A (hereinafter referred to as the "Contract").

### **Section Three – Authorization and Direction**

The Mayor is hereby authorized to execute the Contract substantially in the form of such contract attached hereto as Exhibit A and the Village Clerk to attest thereto along with any finally negotiated terms as set forth therein with such changes therein as shall be approved by the Village Attorney. The officials of the Village executing the same, their execution thereof to constitute exclusive evidence of their approval to any and all changes or revisions therein from and after the execution and delivery of such contract.

### **Section Four - Other Actions Authorized**

The officers, employees and/or agents of the Village shall take all actions necessary or reasonably required to carry out and give effect to the intent of this resolution and otherwise to consummate the transactions contemplated herein and shall take all actions necessary in conformity therewith including, without limitation, the execution and delivery of all documents required to be delivered in connection with the transaction contemplated herein.

### **Section Five - Acts of Village Officials**

That all past, present and future acts and doings of the officials of the Village that are in conformity with the purpose and intent of this resolution are hereby, in all respects, ratified, approved, authorized and confirmed.

### **Section Six - Authorization of Expenditures**

The Corporate Authorities hereby authorize and direct the expenditure of all costs related to the execution of the contract, additionally, the Village is authorized and directed to allocate and spend all necessary funds to fulfill the requirements of the contract and of this resolution.

### **Section Seven - Waiver of Bidding Process**

To the extent that any requirement of bidding would be applicable to the transactions contemplated hereunder, the same is hereby waived.

### **Section Eight – Effective Date**

This resolution shall be in full force and effect from and after its passage, approval and publication as provided by law.

### **Section Nine – Conflict Clause**

All resolutions, parts of resolutions or board actions in conflict herewith are hereby repealed to the extent of such conflict.

### **Section Ten – Saving Clause**

If any section, paragraph, clause or provision of this resolution is declared by a court of law to be invalid or unconstitutional, the invalidity or unconstitutionality thereof shall not affect the validity of any other provisions of this resolution which are hereby declared to be separable.

**Section Eleven – Recording**

This resolution shall be entered into the minutes and upon the journals of the Board of Trustees of the Village of Roselle.

**DECIDED** pursuant to a Roll Call Vote:

	YES	NO	ABSENT	ABSTAIN
Bruce Berkshire				
Wayne D. Domke				
Cheryl Lenisa				
Tom Della Penna				
Tom Piorkowski				
Lee Trejo				
David Pileski				
TOTAL				

**PASSED AND APPROVED** by the Village of Roselle Board of Trustees on the 27th day of March, 2023:

\_\_\_\_\_  
David Pileski  
Mayor

ATTEST:

\_\_\_\_\_  
Amanda Hausman  
Village Clerk

Exhibit A  
Contract

DRAFT

**CONTRACT NO. \_\_\_\_\_ FOR PROFESSIONAL SERVICES**

THIS CONTRACT is made and entered into by and between the Village of Roselle, a body politic and corporate (hereinafter the "Village"), and SB Friedman Development Advisors, LLC (hereinafter "Consultant").

**WITNESSETH:**

WHEREAS, the Village of Roselle (hereinafter "Village") has determined that it is reasonable, necessary and desirable to obtain the services of a firm to provide professional services associated with bond feasibility to the Village; and

WHEREAS, SB Friedman Development Advisors, LLC (hereinafter "Consultant") agrees to provide the necessary professional services upon the terms set forth herein.

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

1. Scope of Services. Village hereby retains Consultant, and Consultant hereby agrees to act as the independent contractor for the Village performing those professional services, which are described in the Scope of Services Exhibit (hereinafter the "Work"), attached hereto and incorporated herein as if fully set forth as Exhibit A.

2. Standard of Care. Consultant represents and warrants that it shall perform its services 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. Where this Agreement is inconsistent with any provision of Exhibit A this Agreement shall control.

3. Compensation. The Village shall pay the Consultant an amount not-to-exceed \$59,270.00. A breakdown of these fees by task is summarized in the Scope of Services Exhibit. Consultant shall submit itemized invoices containing sufficient detail of the Work performed to enable the Village to properly evaluate the payout request and the Village shall pay Consultant in accordance with the Local Government Prompt Payment Act.



4. Term of Agreement. The term of this Agreement shall be for a period of \_\_\_\_\_ years terminating \_\_\_\_\_, unless terminated earlier by either party pursuant to Paragraph 11 and provided the term of the Agreement may be extended upon mutual written agreement.

5. Additional Services. Additional services that are not part of the Work may be assigned subject to prior written approval or direction of the Village. Payment for additional services shall be as mutually agreed upon by the parties before the commencement of any additional services. Any additional services shall be subject to the terms and conditions of this Agreement.

6. Hold Harmless and Indemnification. Each of the parties (the "Indemnitor") shall defend, hold harmless, and indemnify the other party (the "Indemnitee") and the Indemnitee's directors, officers, employees, and agents, from and against any and all liabilities, losses, claims, demands, damages, fines, penalties, costs, 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 from either 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 Consultant's services; or

(B) The gross negligence or willful misconduct of the Indemnitor, its employees, agents, representatives, and subcontractors.

In the event that any claim for indemnification hereunder arises from the negligence or willful misconduct of both the Consultant and the Village, 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 paragraph shall be interpreted to waive any statutory or common law remedy of either of the parties, which shall remain in full force and effect.

7. Insurance. Unless otherwise authorized in writing by the Village Administrator, Consultant shall purchase and 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. The insurance coverages 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 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 of 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 the 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 for 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 coverages 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. The Village shall be named on the policies required by Section 5 subsections (B) and (D) as additional insured. No policy shall require contribution by the Village's insurance.

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 services required under this Contract.

10. Control of Services. 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 the Village concludes that the Contractor is not performing in accordance with the terms set forth herein, the Village Administrator, or his designee, may issue a stop work order requiring an immediate cessation of all work except that necessary to

secure project protection and safety. If the Contractor fails to remediate its breach within two business days the Village Administrator may terminate this Agreement. The Village may terminate this agreement without cause upon seven calendar days' notice. In the event of a termination, the Village shall pay Contractor for the services performed and expenses incurred as of the effective date of termination, less any sums attributable, directly or indirectly, to Contractor's breach. Stop work orders may be issued by the Village Administrator or his designee orally or by e-mail to the Contractor. All oral stop work orders shall be confirmed by e-mail but e-mail shall not be a prerequisite to the stop work order becoming effective. Consultant shall provide the Village with its Project Manager's e-mail address upon its execution of this Agreement.

12. Ownership of Documents & Release of Information. All deliverables, 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 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 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.

13. FOIA. Consultant agrees to furnish all records related to this Agreement and any documentation related to the Village required under an Illinois Freedom of Information Act (ILCS 140/1, et/ seq.) (hereinafter "FOIA") request within five business days after Village issues notice of such request to the Consultant. Consultant's fees for FOIA disclosure shall be consistent with the requirements set forth by the FOIA.

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. Electronic Signatures. Each party agrees that this agreement may be executed by electronic signatures, whether digital or encrypted, of the parties included in this agreement and shall have the same force and effect as manual signatures. Similarly, delivery of this agreement by electronic mail in “portable document format” (“.pdf”) form or by another electronic means will have the same legal effect as delivery of an original executed copy of this agreement.

16. Exclusive Jurisdiction. Any disputes under this Agreement shall be in the 18<sup>th</sup> Judicial Circuit Court, Wheaton, DuPage County, Illinois.

IN WITNESS WHEREOF, the parties have entered into this Contract as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

VILLAGE OF ROSELLE  
VILLAGE ADMINISTRATOR  
31 S. PROSPECT STREET  
ROSELLE, IL 60172

SB FRIEDMAN DEVELOPMENT  
ADVISORS, LCC  
70 W MADISON STREET  
37<sup>TH</sup> FLOOR  
CHICAGO, IL 60602

BY: \_\_\_\_\_

Mayor

BY: \_\_\_\_\_

Partner

ATTEST: \_\_\_\_\_

Clerk

ATTEST: \_\_\_\_\_

March 1, 2023

Mr. Thomas W. Dahl  
Director of Finance  
Village of Roselle  
31 South Prospect Street  
Roselle, IL 60172

**Re: Metro 19 Bond Feasibility Analysis Update**

Dear Mr. Dahl:

Pursuant to our recent correspondence, SB Friedman Development Advisors, LLC (SB Friedman) is pleased to present this proposal to the Village of Roselle (the "Village") for continued work regarding Metro 19, a luxury apartment building with a parking garage (the "Project") to update and document revenue projections related to a potential Village bond issuance

The Village and AVERGIS (the "Developer") entered into an Agreement for the Redevelopment of Land Pursuant to Roselle, Illinois East Irving Park Road Tax Increment Redevelopment Plan dated January 11, 2021 (the "Original Metro 19 RDA"). The Village agreed to issue a \$14.5M (net proceeds) general obligation bond to cover the costs of acquiring the \$11M parking garage and to reimburse up to \$3.5M to the Developer for sewer and other infrastructure improvements. The Village has replaced the Original Metro 19 RDA with two agreements – one with the terms regarding public improvements and one with the terms regarding private development. The Developer completed the work on off-site improvements. The Village accepted some of those improvements last year and will be accepting the rest soon. In order to repay the Developer for the cost of these offsite improvements, in 2022, the Village issued a \$3.5M bond backed by increment from the East Irving Park Road and Irving Central TIFs (the "Offsites Bond").

In addition, we understand that the Project has changed since the analysis was completed for the Original Metro 19 RDA. Key changes include the unit count and size of the parking garage.

It is our understanding that the Village intends to issue an \$11M bond (plus the costs of issuance) (the "Parking Bond") to reimburse the Developer for the cost of the parking garage in late 2023/early 2024. In preparation for this, the Village needs updated revenue projections for the Project and all sources of repayment of the bond, as well as documentation for the revenue projections. It is our understanding the sources of repayment will include:

- Increment from Project
- Increment from the other parcels in the East Irving Park Road TIF
- Increment from Irving Central TIF (net of required payments to Amperage Electrical Supply per their RDA with the Village)
- Net operating income from Village-owned parking garage

## Approach

SB Friedman will update In-PIN incremental property tax projections for the Project, Roselle Crossing and the Amperage Electrical Supply Company site. We will also update area-wide TIF projections for the East Irving Park Road and Irving-Central TIF districts. Lastly, we will be updating parking revenue. We will request fund balance data from the Village for both TIF districts.

We assume that Speer Financial will prepare a bond amortization schedule for the Parking Bond and provide a copy of the amortization schedule for the Offsites Bond and that and Walker Parking will update their parking deck operating expense assumptions.

The synthesis of our updated property tax and parking revenue projections and amortization schedule will allow this financial feasibility analysis to inform questions of the extent to which (and with what level of coverage) these revenues can support debt service on the Parking Bond Village general obligation-backed bond.

## Timeframe, Fees and Additional Terms

Based on the scope of services, we estimate it will take six to ten weeks to prepare our updated projections. This timeline assumes prompt responses from the Village, Developer, and third parties; any delays in collecting data will impact the timeline. Then, we estimate it will take six to ten weeks to draft a memo on the revenue projections and associated assumptions. This draft will then be reviewed by the Village and other third parties, as necessary.

The scope of the engagement and our experience with similar services indicate that our professional fees and expenses will total approximately **\$59,270**, as shown in the detailed budget estimate below. This fee estimate is based upon the tasks and will serve as a benchmark for keeping you informed of our progress and will not be exceeded without your agreement.

### Budget Estimate

Task		Partner	Associate Project Manager	Associate
	Total	\$325	\$235	\$195
Conduct Project Kick-Off meeting	\$755	1	1	1
Review Existing Model and Data	\$4,090	2	8	8
Update and Finalize Feasibility Model	\$24,145	13	30	66
Draft and Finalize Memo	\$17,700	4	20	60
Coordination with Village Staff/Third Parties, as needed	\$12,080	16	16	16
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$58,770</b>	<b>36</b>	<b>75</b>	<b>151</b>
<b>Expenses</b>				
Costar	\$500			
<b>TOTAL</b>	<b>\$59,270</b>			

The fee estimate has been prepared based on certain assumptions as to the time required and the amount of data available from the Village, Developer, and third parties, and is subject to upward 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 is changed. In this event, we

will discuss the matter with you so that a mutually acceptable revision may be made. This estimate does not include time for in-person meetings or testimony with the Village. Additional meeting time will be billed at the then-current hourly billing rates of the staff involved.

Actual billings will be based on time expended by staff involved in the project at the following billing rates:

Partner	\$325	Associate Project Manager	\$235
Vice President	\$275	Associate	\$195
Project Manager	\$265	Research Associate	\$180

These rates will be in effect until December 31, 2023. After this date, rates are subject to adjustment.

Local travel, publications, maps, telephone toll charges, photocopies, report reproduction, color reproduction, faxes, messenger and express services, postage, data purchased specifically for this project, use of company-owned or -licensed databases, and other out-of-pocket expenses are included in this estimate and will be billed in addition to professional fees incurred.

Invoices will be rendered not more frequently than monthly as our work progresses for services and costs incurred.

Our projections will be based on a combination of actuals, estimates and assumptions. These assumptions will be based on conclusions reached as a result of the review and analysis of information and data collected during the compilation of the report. This information and data will be provided by various parties, including the Village, DuPage County and other sources. SB Friedman cannot assure that these information and data are accurate, complete or reliable.

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.

SB Friedman is not acting as a Municipal Advisor or Financial Advisor. It is our understanding that Speer Financial is acting as the Village's Municipal Advisor.

## Additional Services

SB Friedman is available to attend meetings with Village staff and/or to present our analysis to elected or appointed boards. Such services would be billed hourly in addition to this engagement.

If at any point the decision is made to discontinue our services, our fee will be based upon the actual time expended and out-of-pocket costs incurred to that date.



## Acceptance Procedures


We look forward to the opportunity to continue to assist the Village of Roselle. To indicate your acceptance of this proposal, please sign below and return a copy of this engagement letter as our authorization to proceed.

Please call with any questions you may have.

Sincerely,



Geoff Dickinson  
Partner  
(312) 384-2404  
[gdickinson@sbfriedman.com](mailto:gdickinson@sbfriedman.com)



Elena Caminer  
Associate Project Manager  
(312) 424-4257  
[ecaminer@sbfriedman.com](mailto:ecaminer@sbfriedman.com)

**Accepted:** \_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Name Title