



March 22, 2017

Mr. William Heniff, AICP  
Director of Community Development  
Village of Lombard  
255 East Wilson Avenue  
Lombard, Illinois 60148-3926

**RE: Proposed Butterfield/Yorktown TIF District**

Dear Mr. Heniff:

Based upon discussions with you, Kane, McKenna and Associates, Inc. ("KMA") is prepared to assist the Village of Lombard (the "Village") in evaluating certain properties located in the area generally bounded by 22<sup>nd</sup> Avenue, Highland Avenue, Butterfield Road and Maxant Drive as set forth in the map attached, within the Village in reference to economic development programs pertaining to the redevelopment and/or improvement of certain properties, such as Tax Increment Financing ("TIF").

Kane, McKenna and Associates, Inc., will provide the following services to the Village.

**CONSULTANT SCOPE OF SERVICES**

**PHASE 1: Finalize TIF Eligibility Report**

- A. **Complete Analysis of Village-Proposed TIF Properties**
- 1) KMA will assist the Village staff to confirm boundaries of the proposed redevelopment areas based upon site visits, historic assessed value analysis and results of any analysis presently or previously undertaken by the Village. Village staff may provide assistance relating to GIS maps, land use surveys, and sources of information relating to term of vacancy, utility service, etc.
  - 2) Review with the Village the potential pros and cons, costs and benefits, and advantages and disadvantages of viable funding options available, including, but not limited to, programs described below.

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B. Recommendation of Financing Options for TIF Designation

- 1) Provide advice and consultation related to appropriate incentive mechanisms or public financing techniques which could be applied to specific project areas within the proposed TIF. Review "priority areas" identified based upon discussions with Village officials where the proposed TIF is concerned, and how to address deficiencies existing within these locations.
- 2) Determine which tool or combination of tools would be best suited to specific "priority" or other important areas, and how the forms of assistance can work with or against the other, for the TIF.

C. Review and Documentation of TIF Qualification Factors

- 1) Prepare TIF Qualification Report for the site(s) based upon the presence of eligibility factors required under Illinois law. KMA will be available to discuss the findings with the Village prior to completing the report. Also provide advice with respect to potential changes in the Village's comprehensive plan and zoning map to ensure consistencies with land uses proposed for the redevelopment districts.
- 2) Determine whether proposed costs and revenues to be incurred and/or generated from any proposed redevelopment project area(s) are reasonable, feasible and acceptable assumptions for the intended area to be developed.
- 3) Identify for the Village principal strategies for incentives and potential funding mechanisms based upon each potential redevelopment projects' ability to generate property, and/or other incremental taxes to cover anticipated costs and/or debt service requirements.

Phase 1 is expected to be completed prior to May 1, 2017.

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**PHASE 2: Prepare TIF Redevelopment Plan; Coordinate TIF Adoption Process**

A. Preparation of TIF Redevelopment Plan

- 1) Review with the Village the preliminary boundaries for the plan as well as redevelopment goals and objectives.
- 2) Prepare a draft TIF Redevelopment Plan for the area based upon the presence of qualification factors required under Illinois law. KMA will be available to discuss the findings with the Village in meetings prior to completing the report.
- 3) Assist Village to prepare, refine and document the required redevelopment plan and project for the area that satisfy TIF eligibility criteria pursuant to Illinois law.
- 4) In the event that other local financing programs or economic development alternatives may be applicable, KMA would identify these programs and their conditions for use by the Village.

B. Provide TIF Increment and Cost Projections

- 1) Assist Village staff to prepare the preliminary feasibility analysis of potential redevelopment projects incremental revenue (gross and net) and/or costs in order to summarize the potential funding advantages/disadvantages of various strategies.
- 2) Identify for the Village principal strategies for incentives and potential funding mechanisms based upon the potential redevelopment projects' ability to generate property, and/or other incremental taxes to cover anticipated costs and/or debt service requirements.
- 3) Identify issues that may exist if Village and Special Service Area (SSA) uses are combined or overlap. Review funding mechanisms and priorities with Village staff.
- 4) Review with the Village staff pros and cons of funding solely public improvements or considering extraordinary cost and gap financing utilization of TIF funding.

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C.    Finalize Redevelopment Project

- 1)    In conjunction with Village staff, finalize TIF and boundaries for the area, and assist in the process of preparation of the legal descriptions which identify the boundaries for the redevelopment area.
  
- 2)    Subsequent to the review of the draft redevelopment plan by the Village Board, Village staff, and other taxing districts (if applicable), revise the redevelopment plan sections in order to add relevant comments and/or corrections.

Subsections A. to C. of Phase 2 are expected to be completed before May 31, 2017 as the draft TIF plan will need to be available for the June 15, 2017 Village Board meeting.

D.    Coordinate Joint Review Board (JRB) Process

- 1)    Provide agenda items, draft TIF ordinances, and other materials as required by the TIF Act.
  
- 2)    Attend JRB meetings as necessary and appropriate.
  
- 3)    Assist Village staff to respond to JRB requests.
  
- 4)    Assist Village Attorney to prepare JRB resolutions relating to findings.

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E. Preparation of Notices

- 1) The Village staff and the Village Attorney would be responsible for the preparation of all notices required by the TIF Act and as a result such tasks are not included in the Scope of Services.

F. Attend Public Hearings and Required Meetings

- 1) Assist the Village by participating in the required public hearing, and meetings with all interested and affected parties, including property owners.
- 2) Work with the Village staff to meet all the requirements of Illinois law.

The remainder of Phase 2 is expected to be undertaken between mid-June, 2017 and completed on or before October 31, 2017 (pursuant to the schedule drafted by the Village Attorney).

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**FEES FOR SERVICES**

KMA normally bills for services on an hourly fee basis for the services requested. We find this more prudent for the client – since the client can exercise control on KMA attendance at meetings, involvement in certain implementation tasks, etc. We also believe that it is more prudent for KMA because we can then budget our time and resources most appropriately.

Estimated Fees are found below:

Fees would be charged monthly at the hourly rates set forth below.

**Hourly Rate Breakdown:**

<u>Personnel</u>	<u>Hourly Rates</u>
Chairman/President	\$200.00/Hour
Executive Vice President	\$175.00/Hour
Officers	\$150.00/Hour
Associates	\$100.00/Hour
Research	\$ 60.00/Hour
Administrative	\$ 25.00/Hour

**All such fees could be reimbursed to the Village through TIF revenues.**

Estimated fees are summarized below:

Phase 1	Finalize Eligibility Report	\$5,500 to \$7,500
Phase 2	TIF Redevelopment Plan Adoption Process	\$22,500 to \$24,000

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The estimates above would not include: Certified and other mailing costs, legal description, and newspaper notice/publication costs – these amounts are to be paid by the Village separately.

We look forward to working with you on this Project.

Sincerely,

Robert Rychlicki  
President

AGREED TO:

  
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Robert Rychlicki, President  
Kane, McKenna and Associates, Inc.

3/22/17  
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Date

  
\_\_\_\_\_  
Village of Lombard

April 6, 2017  
\_\_\_\_\_  
Date