

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda


☐ Resolution or Ordinance (Blue) ☐ Waiver of First Requested
☒ Recommendations of Boards, Commissions & Committees (Green)
☐ Other Business (Pink)

TO : PRESIDENT AND BOARD OF TRUSTEES

FROM: Scott R. Niehaus, Village Manager

DATE : December 30, 2019 **(BOT) Date:** January 9, 2019

SUBJECT: Kane McKenna & Associates - Consultant Service Agreement

SUBMITTED BY: William J. Heniff, AICP, Director of Community Development 

BACKGROUND/POLICY IMPLICATIONS:

Your ECDC Committee transmits for your consideration its recommendation regarding a professional services agreement with Kane, McKenna and Associates, Ltd. to undertake a review of selected properties near the Butterfield Yorktown Tax Increment Financing (TIF) District. The estimated fees for Phase One range from \$12,500 to \$15,500, and the estimated fees for Phase Two, if deemed necessary, range \$17,500 to \$22,500. But in total, exceed the authorization levels as set forth within the Village's purchasing policies, so Village Board action is sought.

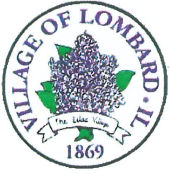
The ECDC unanimously recommended approval of the request. As such, please place this item on the January 9, 2020 Board of Trustees agenda, with the recommendation to authorize the signature of the Village Manager on a consultant services agreement with Kane, McKenna and Associates, Inc. dated November 19, 2019 and associated with a proposed amendment to the Butterfield Yorktown TIF District.

Fiscal Impact/Funding Source:

Review (as necessary):

Finance Director _____	Date _____
Village Manager _____	Date _____

NOTE: All materials must be submitted to and approved by the Village



MEMORANDUM

TO: Scott R. Niehaus, Village Manager

FROM: William J. Heniff, AICP, Director of Community Development *WJH*

MEETING DATE: January 9, 2020

SUBJECT: **Kane McKenna & Associates - Consultant Service Agreement**

The ECDC may remember that Village staff worked with Kane, McKenna and Associates, Inc. (KMA) to set up the Butterfield Yorktown Tax Increment Financing (TIF) District in 2017. Since the TIF was adopted, significant changes have occurred in the area. The Carson's anchor store as well as the companion furniture store have closed and remained vacant. The changing nature of retail is also having impacts on occupancies, which is beginning to manifest itself in corresponding property assessed valuations. Given these conditions, Village solicited a new scope of services from KMA to review additional properties around the TIF.

The contract is for two separate work programs on the TIF, each individually totaling an amount the Village Manager has authority to sign per the Village's purchasing policies. The estimated fees for Phase One range from \$12,500 to 15,500, and the estimated fees for Phase Two, if deemed necessary, range \$17,500 to \$22,500. But in total, exceed the authorization levels as set forth within the Village's purchasing policies, so Village Board action is sought.

ACTION REQUESTED

The ECDC recommended approval of the request by a unanimous vote. As such, please place this item on the January 9, 2020 Board of Trustees agenda, with the recommendation to authorize the signature of the Village Manager on a consultant services agreement with Kane, McKenna and Associates, Inc. dated November 19, 2019 and associated with a proposed amendment to the Butterfield Yorktown TIF District.



November 12, 2019

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

RE: Proposed Amendment to 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 22nd Avenue, Highland Avenue, Butterfield Road and Maxant Drive in the Village as identified in the attached map (the "Additional TIF Sites"), in order to include such properties in the Village's Butterfield-Yorktown TIF District (the "TIF District") pursuant to an amendment of the TIF District (the "Amended TIF District").

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

CONSULTANT SCOPE OF SERVICES

PHASE 1: Prepare TIF Eligibility Report

A. Complete Analysis of Village-Proposed Additional TIF Properties

- 1) KMA will assist the Village staff to confirm the amended boundaries of the TIF District 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 Amended TIF District. Review “priority areas” identified based upon discussions with Village officials where the proposed Amended TIF District 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 Amended TIF District.

C. Review and Documentation of TIF Qualification Factors

- 1) Prepare TIF Qualification Report for the Amended TIF Sites 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 of the Amended TIF Sites 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.

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PHASE 2: Prepare the Amended TIF Redevelopment Plan and Coordinate TIF Amendment Adoption Process

A. Preparation of Amended TIF Redevelopment Plan

- 1) Review with the Village the preliminary boundaries for the amended plan as well as redevelopment goals and objectives.
- 2) Prepare a draft Amended TIF Redevelopment Plan for the Additional TIF Sites 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 amended 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 with respect to the Additional TIF Sites 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 the amendment to the TIF District and amended boundaries for TIF District, and assist in the process of preparation of the legal descriptions which identify the amended boundaries for the TIF District.
- 2) Subsequent to the review of the draft amended redevelopment plan by the Village Board, Village staff, and other taxing districts (if applicable), revise the amended redevelopment plan sections in order to add relevant comments and/or corrections.

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.

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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	Prepare Amended Eligibility Report	\$12,500 to \$15,500
Phase 2	Amended TIF Redevelopment Plan and Coordinate Adoption Process	\$17,500 to \$22,500

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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:



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

11/12/19
Date

Village of Lombard

Date