



**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AUTHORIZING AN AGREEMENT BETWEEN  
THE VILLAGE OF DOWNERS GROVE AND S.B. FRIEDMAN & COMPANY**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois,  
as follows:

1. That the form and substance of a certain Agreement (the “Agreement”), between the Village of Downers Grove (the “Village”) and the S.B. Friedman & Company (the “Company”), for development advisory services in relation to the Central Business District Tax Increment Financing District Redevelopment Plan & Project, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

\_\_\_\_\_  
Mayor

Passed:

Attest: \_\_\_\_\_  
Village Clerk

May 16, 2001

Mr. Brian Pabst  
Director of Redevelopment  
Village of Downers Grove  
801 Burlington Ave.  
Downers Grove, IL 60515-4776

**Re: Development Advisory Process for the Curtis Block**

Dear Mr. Pabst:

Pursuant to our recent discussions, *S. B. Friedman & Company* is pleased to present this engagement letter for our services as development advisor for the Curtis Block in downtown Downers Grove.

It is our understanding that you would like our assistance in facilitating the redevelopment of the Curtis Block in a manner that meets the Village's goals and objectives. We understand that the ultimate site is about 3.5 acres; the Village owns most of the land; the remainder is in the hands of supposedly willing sellers; and, multi-use and multi-story development, including structured parking, are all possible and of interest to the Village. The Village and property owners have explored various options with developers and at this time would like assistance in defining the development program, in recruiting one or more developers, and in establishing an appropriate development agreement for redevelopment of the site.

In this proposal we outline the key steps that we believe should be undertaken. These steps will be refined and adjusted as the project proceeds to reflect the results of each step, and the Village's situation, style of decision-making, and levels of public input.

Generally speaking, the purpose of this process is to define a framework for development that developers should work with and respond to. This includes the mix of uses, density, scale, building orientation, major architectural requirements (but not design detail), mix of parking (including structures, street, and surface), circulation, etc.

The process allows the community to resolve issues that would otherwise be the subject of controversy in a planned development or rezoning process. Developers can then work in a positive way to meet community goals, make good use of their time, and thereby enhance developer interest in the project.

**Scope of Services**

The following are the key tasks and steps contemplated:

<b>Task/Step</b>	<b>Timing</b>
<b>1. Review Land Assembly Situation</b>	<b>Month 1</b>
<p>Map Ownership  Review Status and “Hold-Out” Potential  Determine Limits of Site  Compile and Review Completeness of Due Diligence (Environmental, Title, Soils, Easements, Utility Locations, etc.)</p> <p><b>SBF &amp; Co Services:</b> Conduct review of existing information, determine additional research if any, and strategy options for ensuring control of any potentially problematic parcels. Coordinate with the Village obtaining required additional information and as appropriate engage and/or supervise outside services.</p>	
<b>2. Determine Economic Parameters of Potential Development at This Site</b>	<b>Months 1 &amp; 2</b>
<p>Building on prior information, it is important to identify the appropriate development program for the site and the potential pricing and cost parameters for development. This includes:</p> <p>Suitable Uses  Characteristics and Scale  Price Levels  Stabilized Occupancy/Vacancy  Absorption/Lease-Up Pace  Preparing the Potential Program for Site Testing</p> <p><b>SBF &amp; Co Services:</b> Conduct review and analysis; supplement existing studies as necessary.</p>	
<b>3. Site Capacity/Concept Planning (With The Lakota Group and Other Consultants as Required)</b>	<b>Months 2 &amp; 3</b>
<p>Working closely with The Lakota Group (to be engaged under separate contract) and other technical consultants such as traffic engineers, civil engineers, and others), we will lead the review of:</p> <p>Access and Circulation  Parking Requirements/Strategy  Relationship to Streets and Surrounding Uses  Relationship Between Uses  Height/Bulk/Setbacks</p>	

Based on this review, the program that can be accommodated on the site (both market and physical) will be established.

**SBF & Co Services:** Coordinate, direct, and participate in concept planning.

#### **4. Initial Review By Local Officials**

**Month 3 to 4**

Review Uses and General Concepts Prior to First Evaluation of Economic Potential

**SBF & Co Services:** Coordinate and lead appropriate review sessions.

#### **5. Preliminary Economic Analysis**

**Month 4**

Estimate Project Costs (Demolition, Public Infrastructure and Private Projects)  
Evaluate Private Potential Return on Investment  
Evaluate Public Potential Price for Land and Tax Revenues (Friedman Can Do All or Can Include McKenna on TIF Estimates for Continuity if Preferred)

Review with Local Officials to Determine if Results Appear Good Enough to Solicit Citizen Input

**SBF & Co Services:** Prepare economic model

#### **6. Design and Execute Citizen Review** (Coordinated by *S. B. Friedman & Company* With The Lakota Group) **Month 5**

We will review the various options with the Village, including the possibility of a Design Charette and determine the appropriate approach including:

Prepare Fact Sheets  
Prepare Physical Constraints and Capacity Information  
Prepare Illustrative Concepts  
Carry Out Process (Options include discussion, drawing on plan, plan-toys/digital photos of plan ideas, etc.)

**SBF & Co Services:** Design, plan and carry out process.

#### **7. Evaluate and Synthesize Input/Prepare Concept Plan and Draft Development Guidelines** **Month 5**

Summarize Input (Commonalities & Differences)  
Draft Concept Plan  
Review and Discuss  
Extract Development Guidelines  
Review “Loop” with Citizens and Key Commissions

Conduct Formal Review by Local Officials and Obtain Approval of Development Guidelines

**SBF & Co Services:** Responsible for coordinating process with Village staff and officials and presenting findings/recommendations at relevant meetings.

## **8. Determine Developer Strategy and Identify Developers** **Month 5**

Based on the character of the project, its size, and economic parameters, consider the developer recruitment strategy and pre-qualify developers including:

- Master Developer vs. Product Developers
- Identify Potential Developers
- Solicit Pre-Qualification Information
- Finalize List of Target Developers

**SBF & Co Services:** Conduct evaluation of developer market place to identify potential developers, and all other tasks noted above; work with Village to review and make a determination regarding the appropriate and preferred strategy.

## **9. Prepare Prospectus for Developers** **Month 5 to 6**

The information developed will be compiled into a prospectus including as appropriate:

- Development Concept and Guidelines (Including Indication of Level of Approval)
- Market Back-up
- Financial Projections (Maybe)
- Public Assistance (Maybe)
- Site Survey/Parcels
- Ownership Status
- Environmental and Soils Information, if Known
- Information Desired From Developers – Site Plans, Elevations, Financial Projections
- Development Rights Offered (e.g. land and right to build “X”)
- Responsibilities of Developer/Development Activity Sought
- Parameters of Economic Proposal (Land Price; Other Attributes to Be Considered)
- Process/Timeline

**SBF & Co Services:** Prepare prospectus.

## **10. Contact and Solicit Developers** **Months 6 to 9**

Developers will be contacted and encouraged to consider the project, including:

- Personal Contact

Site Visits  
 Meetings With Local Officials  
 Set Time for Formal Response (May Be Negotiated/Amended to Attract the Desired Team)

**SBF & Co Services:** Serve as primary contact with developers, coordinate contact with Village and visits to maximize positive response.

### **11. Review Proposals and Capabilities of Developers**

**Month 10**

Proposals will be reviewed including:

Proposed Project  
 Economic Feasibility  
 Public Role/Requirements  
 Land Price and Other Economic Attributes  
 Achievement of Goals/Adherence to Development Guidelines  
 Aesthetic Quality  
 Developer Experience  
 Developer Financial Strength

**SBF & Co Services:** Conduct review and recommend developers for further consideration and review with local officials. Conduct interviews (with local interview team) to arrive at short list for next task.

### **12. Manage a Public Review Process (If Desired) to Obtain Input on Proposals**

**Month 11**

Public Presentation of Development Concepts (Public Place; Web Site; Cable TV)  
 Meeting to Review  
 Survey or Other Preference Vehicle to Obtain Comments

**SBF & Co Services:** Design and carry out process; make recommendations to Village.

### **13. Compile and Review Feedback and Recommend a Developer for Negotiation**

**Month 12**

Incorporate review of development proposals and prepare a report and recommendation

**SBF & Co Services:** Prepare recommendation report.

### **14. Assist in Negotiations**

**Months 13 to 14**

The negotiation process includes several steps supported by financial analysis and other business review including:

Negotiate Business Terms Including Developer Responsibilities and Performance Requirements; Village Responsibilities, and Performance Requirements  
Assist Legal Counsel (Usually Special Counsel) in Negotiation of Redevelopment Agreement.

Note: Developer will usually proceed with detailed design upon completion of redevelopment agreement. Prior design usually will be conceptual unless Village agrees to reimbursement in the event that an agreement is not consummated.

**SBF & Co Services:** Negotiate and document business terms and review and support work of legal counsel in defining redevelopment agreement.

### **15. Ongoing Review and Oversight**

### **Ongoing**

As plans are developed in detail and the developer moves to construction, it is important to review the plans as they are detailed. In addition, the economic terms of the agreements may need to be monitored.

**SBF & Co Services:** Ongoing assistance as required.

## **Timing**

Actual Timing will depend on local decision processes. As noted above, steps 1 to 9 can be accomplished in approximately 6 months, but could require more time depending on local processes. The process of attracting developers to prepare specific proposals will require 3 to 5 months. Review will take another month, with the time frame of final public review and decisions depending on local process, but usually 2 to 3 months. Finalizing the business deal and development agreement usually takes 2 to 4 months. Total time before completion of a redevelopment agreement is likely to be 13 to 20 months. Some tasks can be accelerated. However, even though there is a great deal of developer interest in the site, one key task that cannot easily be shortened is the time period planned to contact developers, encourage them to propose, and prepare their proposals for the site.

## **Professional Fees**

Professional fees for this service will be based on the time required at the then current billing rates of the staff involved. The scope of the engagement and our experience with similar services indicate that it is not possible to estimate professional fees with certainty. Estimates have been prepared, however, based on certain assumptions as to time required. These estimates will serve as benchmarks for reporting to you to keep you informed of our progress and potential costs. We will provide regular detailed billing which will permit you to make ongoing decisions regarding the use of our services. The budget estimates are detailed on the budget analysis on the following page and estimated as follows:

### **ESTIMATED FEES**

1. Review Land Assembly Situation	\$ 6,700
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2. Determine Economic Parameters	\$ 29,200
3. Site Capacity/Concept Planning (Lakota Separate)	\$ 11,100
4. Review by Officials	\$ 4,200
5. Preliminary Economic Analysis	\$ 24,200
6. Citizen Review Process	\$ 10,400
7. Synthesize/Prepare Development Guidelines	\$ 8,800
8. Determine Developer Strategy & ID Developers	\$ 8,300
9. Prepare Prospectus for Developers	\$ 13,300
10. Contact and Solicit Developers	\$ 19,300
11. Review Proposals and Capabilities of Developers	\$ 25,000
12. Manage Public Review Process	\$ 10,100
13. Compile and Review/Recommend Developer	\$ 9,800
14. Assist in Negotiations	\$31,000
Allowance for General Contingency	\$ 21,100
Allowance for Expenses	\$ 7,000
Total	\$239,500

This estimate is detailed on the budget worksheet attached to this proposal.

Time and cost of tasks are very difficult to estimate and will be impacted by the complexity of the project, number of components, and local decisions on public process. This estimate is based on prior experience.

The following current hourly rates apply to this engagement:

President, Principal, Advisor	\$180 to \$250
Project Manager	100 to 150
Associate	65 to 90
Data Entry/Admin/Editorial	45 to 60

Local travel, publications, maps, outside data, use of owned or licensed data bases, report production, and other out-of-pocket expenses are not included in this estimate and will be billed in addition to professional fees incurred. Administrative support personnel are not charged for routine tasks. Where they are used for data entry, coordination of events, reproduction of large numbers of copies or mailings their time may be charged. Such tasks are shown in the budget.

These fee estimates are intended to serve as benchmarks and are subject to upward revision if the engagement entails more time than estimated due to problems that are encountered which 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.

Invoices will be rendered every two weeks as our work progresses for services and costs incurred. These invoices will detail the time spent by individual, date and activity. Time is typically reported in increments of .5 hrs. One-way travel time is charged for meetings at the

beginning or end of workdays; otherwise full travel time is charged. Invoices are payable within 30 days.

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.

## **Conditions**

Our analysis and reports will be based on estimates, assumptions and other information developed from research of the market, knowledge of the industry and meetings with you during which you will provide us 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 analyses, reports or other documents 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 reports will be intended solely for your information, for submission to lending institutions, to institutional investors, and for submission to prospective developers and 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 our written consent.

Should a developer wish to indicate in an offering memorandum, prospectus or similar document that our firm prepared market and/or financial feasibility analyses regarding this project, the following statement may be used:

"In preparing its development plans and projections, the developer (or sponsor) conducted research and analysis, consulted various sources, and obtained studies from third parties including *S.B. Friedman & Company*. The information, estimates and projections contained in this prospectus are the conclusions of the developer (or sponsor) after consideration of the various sources noted. The developer (or sponsor) alone is responsible for these conclusions."

To obtain our permission to include this statement in a prospectus we must be permitted to review the offering materials including without limitation the identity and backgrounds of all principals, the description of the project, the market and financial projections utilized, and the text of the materials. We will be compensated at our then current hourly rates for the time required to conduct such reviews and to provide our consent.

In no case does this permission include or imply the right to specifically cite the conclusions or recommendations of our report in such a document.

### **Acceptance Procedures**

We have previously provided background information about *S. B. Friedman & Company's* qualifications to do this work. We appreciate the opportunity to present this proposal to you.

We are very excited about the prospect of working with you to bring about the redevelopment of this crucial site in your downtown. Please call me with any questions regarding this proposal or our services.

To indicate your acceptance of this proposal, please sign the enclosed copy, and return it to us as authorization for us to proceed.

Sincerely,

*S.B. Friedman & Company*

*Stephen B. Friedman*

Stephen B. Friedman, AICP, CRE  
President

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

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

<b>Village of Downers Grove</b>					
<b>Development Advisory Services for Curtis Block</b>					
Task	Person Rate \$	Pres. 250 \$	PM 135 \$	Assoc. 90 \$	Support 50 \$
<b>1. Review Land Assembly Situation</b>					
Meet With Staff		4	4		
Obtain and Review Background		8	12		
Progress Meeting		4	4		
Sub-total Hours	36	16	20	0	0
Sub-total Dollars	6,700	4,000	2,700	-	-
<b>2. Determine Economic Parameters of Potential Devel</b>					
Review Existing Market Analysis (Retail, Office, Res)		8	16		
Supplement Market & Economic Information		16	32	120	
Working & Progress Meetings With Staff (2)		8	8	8	
Recommend Development Parameters		4	8		
Sub-total Hours	228	36	64	128	0
Sub-total Dollars	29,160	9,000	8,640	11,520	-
<b>3. Site Capacity/Concept Planning</b>					
Coordinate Site Investigation and Design		4	8	16	
Prepare/Coordinate Alt. Site Programs--Working Sessions		8	8	8	
Review and Discussion With Staff and Trustee Reps		8	8	8	
Sub-total Hours	76	20	24	32	0
Sub-total Dollars	11,120	5,000	3,240	2,880	-
<b>4. Initial Review By Local Officials</b>					
Meeting		4	4	4	
Summarize/Coordinate Revisions		4	4	8	
Sub-total Hours	28	8	8	12	0
Sub-total Dollars	4,160	2,000	1,080	1,080	-
<b>5. Preliminary Economic Analysis</b>					
Obtain/Prepare/Compile Development Costs		4	16	40	
Prepare Revenue/Expense for Various Uses		4	8	40	
Prepare Investment Analysis-- Individual & Total		4	8	16	
Evaluate Financial Performance and Public/Private Potential		8	16	24	
Review Results/Verify Next Step		4	4	4	
Sub-total Hours	200	24	52	124	0
Sub-total Dollars	24,180	6,000	7,020	11,160	-
<b>6. Design and Execute Citizen Review</b>					
(Method to Be Determined -- Allowance)					
Meeting to Design		4	4		
Planning and Coordination		4	8	24	16
Meeting(s)		8	8	8	
Sub-total Hours	84	16	20	32	16
Sub-total Dollars	10,380	4,000	2,700	2,880	800
<b>7. Synthesize/Prepare Development Guidelines</b>					
Prepare Summary		4	8		
Coordinate Plan and Guidelines		4	8		
Review		4	4		
Obtain Approval (Assume 2 Sets of Meetings)		8	8		
Sub-total Hours	48	20	28	-	-
Sub-total Dollars	8,780	5,000	3,780	-	-
<b>8. Determine Developer Strategy &amp; ID Developers</b>					
Prepare Preliminary Approach & Lists		4	16		
Meetings to Discuss (2)		8	8		
Finalize Developer Lists		4	8		
Sub-total Hours	48	16	32	0	0

Sub-total Dollars	8,320	4,000	4,320	-	-
<b>9. Prepare Prospectus</b>					
Write/Assemble		8	12	32	
Review Meetings (2)		8	8		
Finalize Copy		4	6	12	
Coordinate Production					16
Sub-total Hours	106	20	26	44	16
Sub-total Dollars	13,270	5,000	3,510	3,960	800
<b>10. Contact and Solicit Developers</b>					
Issue Prospectus		1	2	4	16
Telephone Follow-ups		8	8		
Site Visits (Assume 6 Development Groups, 2 per Day)		24	24	8	
Other Coordination and Meetings		12	12		
Sub-total Hours	119	45	46	12	16
Sub-total Dollars	19,340	11,250	6,210	1,080	800
<b>11. Review Proposals and Capabilities</b>					
Review/Summarize		8	24		
Analyze Financials		8	16	32	
Check References		8			
Visit Selected Projects (Assume 4)		16	16		
Prepare Memorandum/Shortlist Recommendation		4	8		
Meet With Village		8	4		
Sub-total Hours	152	52	68	32	0
Sub-total Dollars	25,060	13,000	9,180	2,880	-
<b>12. Manage Public Review</b>					
(Method to be Determined -- Allowance)					
Determine Community Review Process		2	8		
Prepare and Participate in Review Meeting (1 Workshop)		8	12	16	8
Review Reactions (2 Meetings)		8	8		
Sub-total Hours	70	18	28	16	8
Sub-total Dollars	10,120	4,500	3,780	1,440	400
<b>13. Recommendation of Developer</b>					
Compile Feedback		4	8		
Prepare Summary Memo of Recommendation		4	8		
Meet and Discuss with Staff/Village Reps (2)		8	8		
Present to Village Board -- Executive Session		4			
Present to Village Board -- Open Session		6			
Sub-total Hours	50	26	24	0	0
Sub-total Dollars	9,740	6,500	3,240	-	-
<b>14. Negotiate Redevelopment Agreement</b>					
Prepare Deal Terms Sheet		8	24		
Meetings with Staff and Legal Counsel (4)		24	16		
Analysis/Preparation for Various Sessions		16	48		
Negotiation/Meetings with Developer(s) (4)		16			
Approval/Presentations to Village Board		8	8		
Sub-total Hours	168	72	96	0	0
Sub-total Dollars	30,960	18,000	12,960	-	-
Total Hours	1,413	389	536	432	56
Total Dollars	211,290	97,250	72,360	38,880	2,800
General Contingency	21,129	10.0% of 1 to 15			
Expenses	6,973	3.0% of all of above			
TOTAL	\$ 239,392				