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**THE VILLAGE OF TINLEY PARK**  
**Cook County, Illinois**  
**Will County, Illinois**

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**RESOLUTION**  
**NO. 2020-R-023**

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**A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT BETWEEN  
THE VILLAGE OF TINLEY PARK AND STERN BROTHERS & CO. FOR A TAX INCREMENT  
FINANCE (TIF) FEASIBILITY STUDY AND RELATED SERVICES FOR A PROPOSED 159TH  
AND HARLEM TIF DISTRICT**

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**JACOB C. VANDENBERG, PRESIDENT**  
**KRISTIN A. THIRION, VILLAGE CLERK**

**CYNTHIA A. BERG**  
**WILLIAM P. BRADY**  
**WILLIAM A. BRENNAN**  
**DIANE M. GALANTE**  
**MICHAEL W. GLOTZ**  
**MICHAEL G. MUELLER**  
**Board of Trustees**

**RESOLUTION NO. 2020-R-023**

**A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK AND STERN BROTHERS & CO. FOR A TAX INCREMENT FINANCE (TIF) FEASIBILITY STUDY AND RELATED SERVICES FOR A PROPOSED 159TH AND HARLEM TIF DISTRICT**

**WHEREAS**, the Village of Tinley Park, Cook and Will Counties, Illinois, is a Home Rule Unit pursuant to the Illinois Constitution of 1970; and

**WHEREAS**, the Corporate Authorities of the Village of Tinley Park, Cook and Will Counties, Illinois, have considered entering into a contract with Stern Brothers & Co., a true and correct copy of such Contract being attached hereto and made a part hereof as **EXHIBIT 1**; and

**WHEREAS**, the Corporate Authorities of the Village of Tinley Park, Cook and Will Counties, Illinois, have determined that it is in the best interests of said Village of Tinley Park that said Contract be entered into by the Village of Tinley Park;

**NOW, THEREFORE, Be It Resolved** by the President and Board of Trustees of the Village of Tinley Park, Cook and Will Counties, Illinois, as follows:

**Section 1:** The Preambles hereto are hereby made a part of, and operative provisions of, this Resolution as fully as if completely repeated at length herein.

**Section 2:** That this President and Board of Trustees of the Village of Tinley Park hereby find that it is in the best interests of the Village of Tinley Park and its residents that the aforesaid "Contract" be entered into and executed by said Village of Tinley Park, with said Contract to be substantially in the form attached hereto and made a part hereof as **EXHIBIT 1**, subject to review and revision as to form by the Village Attorney.

**Section 3:** That the President and Clerk of the Village of Tinley Park, Cook and Will Counties, Illinois are hereby authorized to execute for and on behalf of said Village of Tinley Park the aforesaid Contract.

**Section 4:** That this Resolution shall take effect from and after its adoption and approval.

**ADOPTED** this 3<sup>rd</sup> day of March 2020, by the Corporate Authorities of the Village of Tinley Park on a roll call vote as follows:

**AYES:** Brady, Brennan, Galante, Glotz, Mueller

**NAYS:** Berg

**ABSENT:** None

**APPROVED** this 3<sup>rd</sup> day of March 2020, by the President of the Village of Tinley Park.

  
Village President

ATTEST:

  
Deputy Village Clerk

# **EXHIBIT 1**

## **Stern Brothers & Co. Contract**

PROPOSAL FOR  
TAX INCREMENT FINANCING CONSULTING SERVICES  
VILLAGE OF TINLEY PARK, ILLINOIS

PROJECT CONTACT:  
MAUREEN BARRY  
DIRECTOR/MUNICIPAL ADVISOR  
847.316.0040  
MBARRY@STERNBROTHERS.COM



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## **Section 1**

### **Executive Summary**

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## EXECUTIVE SUMMARY

The following proposal is provided by Stern Brothers & Co. (Stern) in response to a request from the Village of Tinley Park. It is our understanding that the Village is interested in partnering with a consultant to provide Tax Increment Financing (TIF) consulting services to the Village relative to a proposed Harlem Avenue and 159<sup>th</sup> Street TIF District, currently occupied primarily by commercial/retail uses.

Since 1917, Stern Brothers has been advising public and private decision makers on the best ways to fund capital projects and fulfill communities' economic development plans. The firm has particular expertise in crafting innovative solutions to meet the project funding needs of our clients. Throughout our history, we have prided ourselves on creating and developing meaningful, value-added and cost-effective solutions to the challenges that our clients face in executing their capital project plans. Beyond securing the financing, our services include economic development consulting to help you establish special taxing districts, such as a Tax Increment Financing District, and implement projects within the district.

With the firm's headquarters in St. Louis, Missouri, over 40 professionals serve clients from Stern offices across the United States, including the office in Illinois.

This proposal describes our TIF consulting services and how we can assist the Village in accomplishing its development goals along the Harlem Avenue and 159<sup>th</sup> Street corridors. Our team will work with the Village staff to conduct a feasibility analysis, and if appropriate, develop the required documentation for a Redevelopment Project Area in the vicinity of Harlem Avenue and 159<sup>th</sup> Street. Stern will help the Village to prepare the most advantageous plan for the community and lay out the appropriate process needed to meet the State of Illinois' requirements for establishing a TIF District in a timely and transparent fashion. Assuming the area meets the State's criteria, Stern's advisors will help the Village to justify to the community and local businesses why this economic development tool is needed and how project funding assistance may be granted to make a project viable.

This document is divided into two parts. The first, **Qualifications**, describes our firm and staff that would be assigned to this project for the Village of Tinley Park, summarizes the relevant experience that these team members would bring to the Village, and provides references from municipalities for which Stern advisors have recently completed similar redevelopment projects. The second part contains the **Engagement Letter** for TIF District Consulting Services, roles for each party, and certain disclosures relating to our engagement as municipal advisor.

The Engagement Letter is to be signed by a designated representative of the Village of Tinley Park and returned to Stern prior to commencement of the Project.



## **Section 2**

### **Qualifications**

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## QUALIFICATIONS

### ABOUT STERN BROTHERS

Founded in 1917, Stern is a Certified Woman-Owned Business Enterprise (“WBE”) and is one of the few remaining independent, private investment banking/financial services firms in the country. Our firm’s sole focus is public and infrastructure finance. Throughout our more than one-hundred year history, we have prided ourselves on creating and developing meaningful, value-added and cost-effective solutions to the challenges that our clients face. In an industry that is often overshadowed by larger public institutions, we are truly proud of our independent and diverse culture and identity.

Stern Brothers serves as Municipal/Financial Advisor for a number of local governments, agencies and institutions in connection with their debt offerings and other financial and development needs. Our advisors work collaboratively with our clients to identify the most advantageous financial strategies and professionally execute them on their behalf. We will evaluate all options available to the Village and clearly present them, allowing Village decision-makers to feel confident in their ultimate decisions.

The Stern Brothers’ Municipal Advisors provide long-term financing solutions to units of government, private companies and non-profit organizations located throughout the country. Representative engagements include financings of developer-driven and workforce housing, mixed-use projects, distressed schools, municipal water-sewer districts, and community-based centers. We work with our clients to meet their full range of economic development needs, from creating a new taxing district to annual reporting to development proposal analysis to debt issuance for projects within a district.

### PROJECT STAFF

The recent addition of Maureen Barry to the Stern team has reinforced the firm’s municipal advisory and economic development consulting experience. Maureen previously worked for Ehlers & Associates, Inc. in Chicago for over 11 years, where she served as an advisor to numerous Illinois local government clients, including the Village of Tinley Park.

While at Ehlers, Maureen and her team successfully used the approach proposed herein for TIF District services in the Village of Tinley Park, and also the City of East Moline, Village of Glen Ellyn, City of Macomb, Village of Matteson, City of Peoria, Village of Rockton, and Village of Wheeling, among others. She assisted other Illinois municipal clients with economic development, financial consulting and debt issuance projects in communities such as the Village of Buffalo Grove, City of Geneva, City of North Chicago, Village of Oak Park, City of St. Charles, Village of Willowbrook, Village of Westmont, City of Wheaton, and Village of Winnetka. Prior to that time, she worked in local government for over 15 years, most recently as the Assistant Village Manager in Wilmette, and before that, for the City of Evanston and the City of Glendale, Arizona. In these roles, she worked with local government leaders and other key players in planning and managing a wide variety of governmental operations and projects.

Consulting services provided on this project would be performed and supervised by Maureen Barry, with assistance from Stern’s St. Louis office and qualified sub-contractor service providers as needed for certain research and support functions. Maureen will be in contact with Village staff throughout the project and available for meetings or consultation with other parties.



## REFERENCES

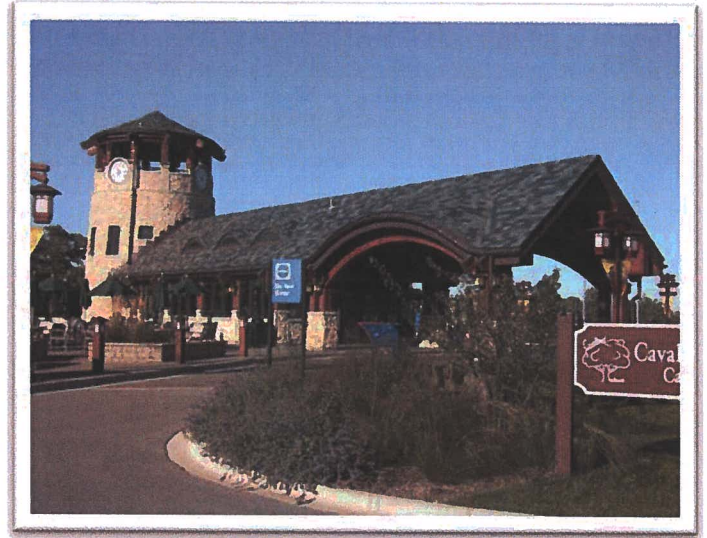
### VILLAGE OF TINLEY PARK\*

#### Specialized Project Experience

- TIF District creation
- TIF amendments
- Redevelopment project implementation
- Public participation
- Developer RFP
- Developer negotiations
- Pro forma analysis
- TIF increment projections

#### **Contact:**

Brad Bettenhausen, Finance Director  
16250 South Oak Park Avenue  
Tinley Park, Illinois 60477  
bbettenhausen@tinleypark.org  
Phone: (708) 444-5000



### VILLAGE OF WHEELING\*

#### Specialized Project Experience

- TIF District creation
- TIF amendment
- Downtown redevelopment
- Financial analysis
- TIF increment projections
- Pro forma analysis
- Developer negotiations
- Public infrastructure finance

#### **Contact:**

Jon Sfondilis  
Village Manager  
2 Community Boulevard  
Wheeling, Illinois 60090  
jsfondilis@wheelingil.gov  
Phone: (847) 499-9090



## VILLAGE OF ROCKTON\*

### Specialized Project Experience

- TIF District establishment
- Business District establishment
- Downtown redevelopment
- TIF increment projections
- Taxing District negotiations

### **Contact:**

Tricia Diduch  
Planning & Development Administrator  
110 E. Main Street  
Rockton, Illinois 61072  
diduch@rocktonvillage.com  
Phone: (815) 624-0935



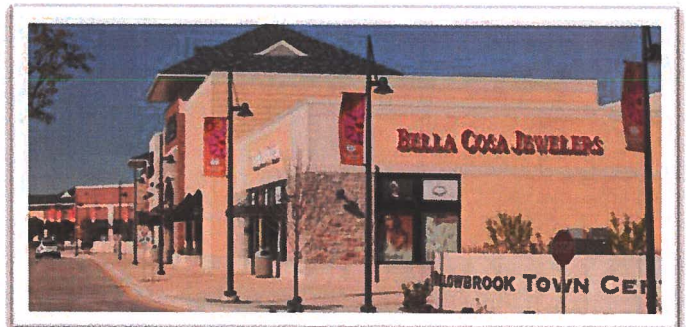
## VILLAGE OF WILLOWBROOK\*

### Specialized Project Experience

- Business District establishment
- Redevelopment project analysis
- Pro forma analysis
- Developer agreement negotiations
- Sales tax projections

### **Contact:**

Carrie Dittman  
Director of Finance  
835 Midway Drive  
Willowbrook, IL 60527  
cdittman@willowbrook.il.us  
Phone: (630) 323-8215



\* Municipal Advisor Services provided by Maureen Barry and others while employed by Ehlers & Associates, Inc.

## **Section 3**

### **Engagement Letter**

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February 11, 2020

Brad Bettenhausen, Finance Director  
Village of Tinley Park  
16250 S. Oak Park Ave.  
Tinley Park, Illinois 60477

**Re: ENGAGEMENT LETTER FOR TAX INCREMENT FINANCING CONSULTING SERVICES**

Dear Mr. Bettenhausen:

We are pleased to have the opportunity to work with you, Village of Tinley Park, Illinois (the "**Village**") as your municipal advisor for these Tax Increment Financing consulting services. The purpose of this letter (this "**Engagement Letter**") is to set forth the role we propose to serve and the services we propose to provide as municipal advisor, at the direction of the Village, with respect to the Village's needs for Tax Increment Financing Consulting Services (the "**Project**").

It is Stern's understanding that the Village is interested in partnering with a consultant to provide Tax Increment Financing (TIF) consulting services to the Village relative to its proposed Harlem Avenue and 159<sup>th</sup> Street Redevelopment Project Area, or TIF District. (See *Appendix A* to this Engagement Letter for the Village's "**Study Area**".)

This Engagement Letter also provides you with certain disclosures relating to our engagement as municipal advisor, pursuant to certain rules promulgated by the Municipal Securities Rulemaking Board ("**MSRB**").

**1. SCOPE OF SERVICES**

The Village hereby engages Stern Brothers & Co. ("**Stern**"), including its successors, and assigns Stern to serve as municipal advisor with respect to the Project.

Stern's advice and work product for preparing a feasibility analysis and required reports and for establishing a new Harlem Avenue and 159<sup>th</sup> Street Redevelopment Project Area (the "**RPA**" or "**TIF District**") will be in accordance with the State of Illinois Municipal Code, specifically as set forth under the Tax Increment Allocation Redevelopment Act 65 ILCS 5/11-74.4-1 *et seq.*, as supplemented and amended (the "**Act**").

As municipal advisor, Stern expects to provide the following services (the "**Scope of Services**") to the Village in a three-phase process:

**PHASE I – FEASIBILITY ANALYSIS**

The purpose of Phase I is to determine whether the Project is a statutorily and economically feasible option to achieve the Village's objectives. This phase begins upon the Village's authorization of this engagement and ends with the delivery of the findings of the feasibility analysis to the Village. As part of Phase I services, Stern will:

- Consult with appropriate Village officials to identify the Village's objectives for the Project.



- Visually survey, conduct research using reliable and recognized sources of information about the Study Area, and document findings related to all eligibility criteria for each parcel within the Study Area, per the criteria set forth in the Act, including the following:
  - Location of vacant sites and vacant buildings.
  - Condition and use of each building.
  - Site conditions including roadways, lighting, parking facilities, landscaping, fence walls, and general property maintenance.
  - Equalized assessed values and other relevant parcel data.
  - Village, county, state, and federal records, as may be required.
  - Existing land use, zoning ordinance and maps, flood maps, and comprehensive plan.
- Determine if, and under which category or categories, the Study Area qualifies as a TIF District according to the Act.
- Review the feasibility analysis findings and confirm with Village staff the list of parcels from within the Study Area that are to be included within the proposed RPA boundaries and the focus of the next phase of work.

## PHASE II – PREPARATION OF THE REDEVELOPMENT PLAN

If the RPA qualifies as a TIF District according to the Act requirements, and the Village elects to proceed with the process following completion of the feasibility analysis, the Project will move to Phase II. This phase includes preparation of the Redevelopment Plan for the Project. **(This proposal assumes the conditions requiring a Housing Impact Statement would not be present within the proposed RPA (i.e., a separate analysis and report is required if the Village certifies that the RPA would displace ten or more inhabited residential units), which would prompt another phase of proposed work.)**

This phase begins after receiving notification from the Village to proceed, and ends after the Village has approved the draft Redevelopment Plan, including any necessary revisions. As part of Phase II services, Stern will:

- Based on the goals and objectives identified in Phase I, prepare a draft Redevelopment Plan document that includes all statutorily required components, including documentation of the eligibility conditions and findings from the feasibility analysis.
- Coordinate with Village’s staff, engineer, planner or other designated parties to develop the legal description of the boundaries of the proposed RPA.
- Submit to the Village an electronic version of the draft Redevelopment Plan for review and comment. The Redevelopment Plan will include a map of the RPA, the findings of the Phase I feasibility analysis which identifies the qualifying factors for the district, redevelopment goals and objectives that are consistent with the Village’s Comprehensive Plan (if applicable), redevelopment project costs, incremental property tax revenue estimates for Plan purposes, and other language and certifications required

by the Act.

- Revise the draft Redevelopment Plan as needed in response to comments from the Village Staff and TIF Attorney and submit final draft versions to be filed with the Village Clerk and provided by the Village to other parties according to the requirements of the Act in conjunction with Phase III services.

### PHASE III - ADOPTION OF PROJECT

The Act requires a specific adoption process, which includes a meeting of the Joint Review Board (comprised of representatives from certain impacted taxing districts) and a public hearing. This phase begins after receiving notification from the Village to proceed following Phase II and ends after the adoption ordinances have been considered by the governing body, or the time allotted by the Act for that consideration has expired. In Phase III, Stern will:

- Coordinate with Village staff to confirm dates and times for required public meetings. Stern will work with the Village's attorney to ensure that selected dates meet all statutory timing requirements.
- Provide guidance to the Village regarding the public participation process. The Village will be responsible for the production and distribution of all notices to the impacted taxing districts, public, residents, property owners, and publications. (Sample copies of notices and advertisements can be furnished upon request.)
- Attend and make a presentation at Joint Review Board Meeting (see "Meetings" section).
- Attend and make presentation(s) at appropriate Village Board meetings and other meetings (see "Meetings" section).
- Complete any Project document amendments required as a result of the Joint Review Board meeting or public participation process.
- Upon approval by the governing body, assist the Village's Attorney with the submission of required information to the County, as needed.

### MEETINGS

Stern's participation in the following meetings is included in the proposed flat fee for the applicable phase of this Project:

- Project initiation meeting with representatives of the Village to launch the Project, confirm the Study Area boundary, and coordinate various process steps (Phase I).
- Conference call to discuss the results of the feasibility analysis and the boundaries of the proposed RPA with the Village's staff (Phase I).
- Conference call to discuss the Redevelopment Plan with the Village's staff (Phase II).
- Meeting with representatives of certain impacted local taxing districts (the Joint Review Board) to review the RPA eligibility and scope of the proposed Redevelopment Plan (Phase III).
- Public hearing on the proposed RPA (Phase III).

- One additional progress meeting with Village staff at the discretion of the Client (any phase).

If requested by the Village, Stern will participate in additional meetings beyond this Scope of Services with various parties, such as the Village Board, other taxing districts, local businesses, etc. Any additional meeting related to the development, qualification, and adoption of the proposed TIF District will require prior authorization by the Village Manager or Finance Director and will be subject to Stern's hourly billing rates (see "Fees and Expenses" section).

All services related to the Project will be performed in conjunction with designated staff of the Village and its designated attorney.

#### VILLAGE RESPONSIBILITIES

The following items are not included in Stern's Scope of Services and shall be the responsibility of the Village to complete or provide:

- Legal Description of RPA, as required in the Redevelopment Plan.
- Provide applicable studies, data, plans and information to Stern as they may be relevant to the Project.
- Production and distribution (including paper versions) of all reports, notices, and mailings related to the adoption of the TIF District to the impacted taxing districts, the Illinois Department of Commerce and Economic Opportunity, residents, property owners, interested parties registry, and local news media, per the Act requirements.
- GIS/Mapping services. The Village will arrange for Stern to have access to its Geographic Information Systems (GIS) service provider and resources and direct the provider to cooperatively work with Stern to produce all maps and fulfill any GIS service requests required for the Project.
- Legal review. Stern recommends that Village contract with an attorney with direct knowledge of the Act and TIF case law, and experience in the establishment of TIF Districts for consultation during this Project. All attorney expenses are to be assumed by the Village.
- Other consulting services. Services rendered by Village's engineers, planners, surveyors, appraisers, assessors, attorneys, auditors, and others that may be called on by the Village to provide information related to completion of the Project. If a certified Engineer's statement is necessary to determine chronic flooding, the Village will be responsible for obtaining and providing that statement.

#### PROJECT TIME LINE

The proposed time line for completion of the Project follows. Stern will begin project work immediately after authorization from the Village.



**Task**

Phase I – Feasibility Analysis	4 – 6 weeks
Phase II – Preparation of Redevelopment Plan	4 – 8 weeks*
Phase III – Adoption of Project	10 – 14 weeks*

\* This proposal assumes that conditions within the RPA would not warrant a Housing Impact Statement, which, if it did, would prompt another phase of proposed work. This phase would be completed concurrently with Phases II and III, but may extend the duration of time required to complete the additional work and meeting(s).

Some contingency times have been included in the time line. However, adherence to the above time line for each phase is dependent on timely provision of information and documents from the Village and other sources, as well as timely authorization to proceed with each successive task as may be needed.

2. **LIMITATIONS ON SCOPE OF SERVICES.** The Scope of Services is subject to the following limitations:
- The Scope of Services is limited solely to the services and for the purposes described therein and is subject to any limitations set forth within the description of the Scope of Services.
  - Stern is not responsible for certifying as to the accuracy or completeness of any information submitted by other parties.
  - The Scope of Services does not include tax, legal, accounting or engineering advice with respect to the analysis.
  - While Stern will make every attempt to ensure that the information produced for the Project is obtained from reliable sources and is accurate at the time of release, Stern is not responsible for any errors or omissions, or for the results obtained from the use of this information. All information provided for the Project shall be provided “as is”, with no guarantee of completeness, timeliness, or of the results obtained from the use of this information, and without warranty of any kind, express or implied.

The Scope of Services may be changed only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.

3. **PROFESSIONAL JUDGMENT.** The Village acknowledges that the advice and recommendations provided by Stern with respect to and during the course of this engagement and with respect to the Project involve the exercise of professional judgment on the part of Stern, and that the results are not, and cannot be, guaranteed. Nevertheless, under MSRB Rule G-42 ("Rule G-42"), Stern will be subject to a fiduciary duty that includes a duty of loyalty and a duty of care in the conduct of all municipal advisory activities for the Village. Rule G-42 requires that Stern make a reasonable inquiry as to the facts that are relevant to the Village's determination whether to proceed with a course of action or that form the basis for advice provided by Stern to Village. Rule G-42 also requires that Stern undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Stern is also required under the rule to use reasonable diligence to know the essential facts about Village and the authority of each person acting on the Village's behalf.

The Village agrees to cooperate, and to cause its agents to cooperate, with Stern in carrying out these regulatory duties, including providing to Stern accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, the Village agrees that, to the extent it seeks to have Stern provide advice with regard to any recommendation made by a third party, it will provide to Stern written direction to do so as well as any information it has received from such third party relating to its recommendation.

**4. FEES AND EXPENSES.**

Stern charges a flat fee for consulting services as stated in the Scope of Services. The project will be completed for the costs provided below, which includes all time, materials, and expenses.

Phase I – Feasibility Analysis	\$17,500
Phase II – Preparation of Redevelopment Plan	\$12,500
Phase III – Adoption of Project	<u>\$ 8,000</u>
<b>TOTAL</b>	<b>\$38,000</b>

**Notes:** This pricing is based upon the list of parcels identified by the Village for inclusion in the Study Area and assumes parcel data from Cook County for Tax Year 2013 – Tax Year 2018 will be analyzed for the Project. If a significant number of additional parcels are added for review within the Project at any time after this agreement has been approved or if parcel data for Tax Year 2019 must be researched and included in the Project at a later time, a revised proposal or additional fee may be required. Further, it is not anticipated at this time, but if a Housing Impact Statement is required (as mentioned previously in this Scope of Services), an additional fee of \$12,000 for completion of that analysis and work product will apply.

Stern will invoice the Village for the amount due after the completion of each phase of work. The fees are due and payable upon receipt of the invoice by the Village.

For any additional services requested by the Village (such as those described in *Appendix C*), which are related to the Project but are not included within this Scope of Services, the Village will be charged on an hourly basis. Based on the task, current hourly rates for Stern’s team members will apply as follows:

Municipal Advisor	\$240.00 per hour
Analyst	\$190.00 per hour
Project Coordinator	\$175.00 per hour
Technical/Clerical	\$100.00 per hour

Stern does not charge for most regular business expenses, except for messenger and overnight services. For meetings or other activities not within the Scope of Services that require Stern’s staff to be present at the client’s offices or elsewhere in the area, travel time is charged per the hourly billing rates. We assume most Project discussions will be held via teleconference or email to facilitate regular communication in a cost effective manner.

**5. TERM AND TERMINATION.** The term of this engagement will extend from the date of this Engagement Letter to December 31, 2020; provided, however, that either Stern or the Village may



terminate Stern's engagement at any time without liability or penalty upon at least 30 days prior written notice. If Stern's engagement is terminated by the Village, then the Village agrees to reimburse Stern for its out-of-pocket expenses incurred until the date of such termination.

6. **INDEMNIFICATION; LIMITATION OF LIABILITY.** In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of Stern or any of its associated persons, Stern and its associated persons shall have no liability to the Village for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from the Village's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Stern to the Village. No recourse shall be had against Stern for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of the Village arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service or other party in connection with the Project or otherwise relating to the tax treatment of the Project, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Engagement Letter shall constitute a waiver by the Village of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of Stern's fiduciary duty to the Village under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

In addition, to the extent permitted by applicable law, the Village shall indemnify, defend and hold Stern and its employees, officers, agents and affiliates harmless from and against any losses claims, damages and liabilities that arise from or otherwise relate to the Project and actions taken or omitted in connection therewith, except to the extent such losses, claims, damages or liabilities are judicially determined to be the result of Stern's gross negligence or willful misconduct.

7. **INFORMATION PROVIDED BY THE VILLAGE.** The Village understands that the preparation of Project work products will be based upon, among other things, the truth, accuracy and completeness of the information provided to Stern. The Village agrees that all such information will be true, correct and complete, that it will update such information during the course of the Project if necessary, so that any financial information provided to Stern will be accurately reflective of the Village's financial position (or otherwise disclosed to the extent that it is not), and that any financial projections will be prepared by the Village in good faith and based upon reasonable assumptions. The Village acknowledges and agrees that Stern will rely upon such information without independent verification.
8. **REQUIRED DISCLOSURES.** Rule G-42 requires that Stern provide the Village with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in *Appendix B* to this Engagement Letter.
9. **GOVERNING LAW; COMPLETE AGREEMENT.** This Engagement Letter shall be governed and construed in accordance with the laws of the State of Missouri. This Engagement Letter may not be



amended or modified except by written agreement of both parties. This Engagement Letter embodies all the terms, agreements, conditions and rights contemplated and negotiated by the Village and Stern, and supersedes any and all discussions and understandings, written or oral, between the Village and Stern regarding the Project. This Engagement Letter shall be binding upon and inure to the benefit of the Village and Stern, their respective successors and permitted assigns; provided however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

If the foregoing is consistent with your understanding of our engagement with respect to the Project, please sign and return the enclosed copy of this Engagement Letter at your earliest convenience. The undersigned represents and warrants that (s)he has full legal authority to execute this Engagement Letter on behalf of the Village. The undersigned individuals have the authority to direct Municipal Advisor's performance of its activities under this Engagement Letter.

Sincerely,

Stern Brothers & Co.

By:  
Name: Maureen Barry  
Title: Director/Municipal Advisor  
Email: mbarry@sternbrothers.com

**Acceptance:**

Accepted this 3rd day of March, 2020:

**VILLAGE OF TINLEY PARK, ILLINOIS**

By:   
Name: Jacob C. Vandenberg

Attest:   
Name: Laura Godette

Title: Village President

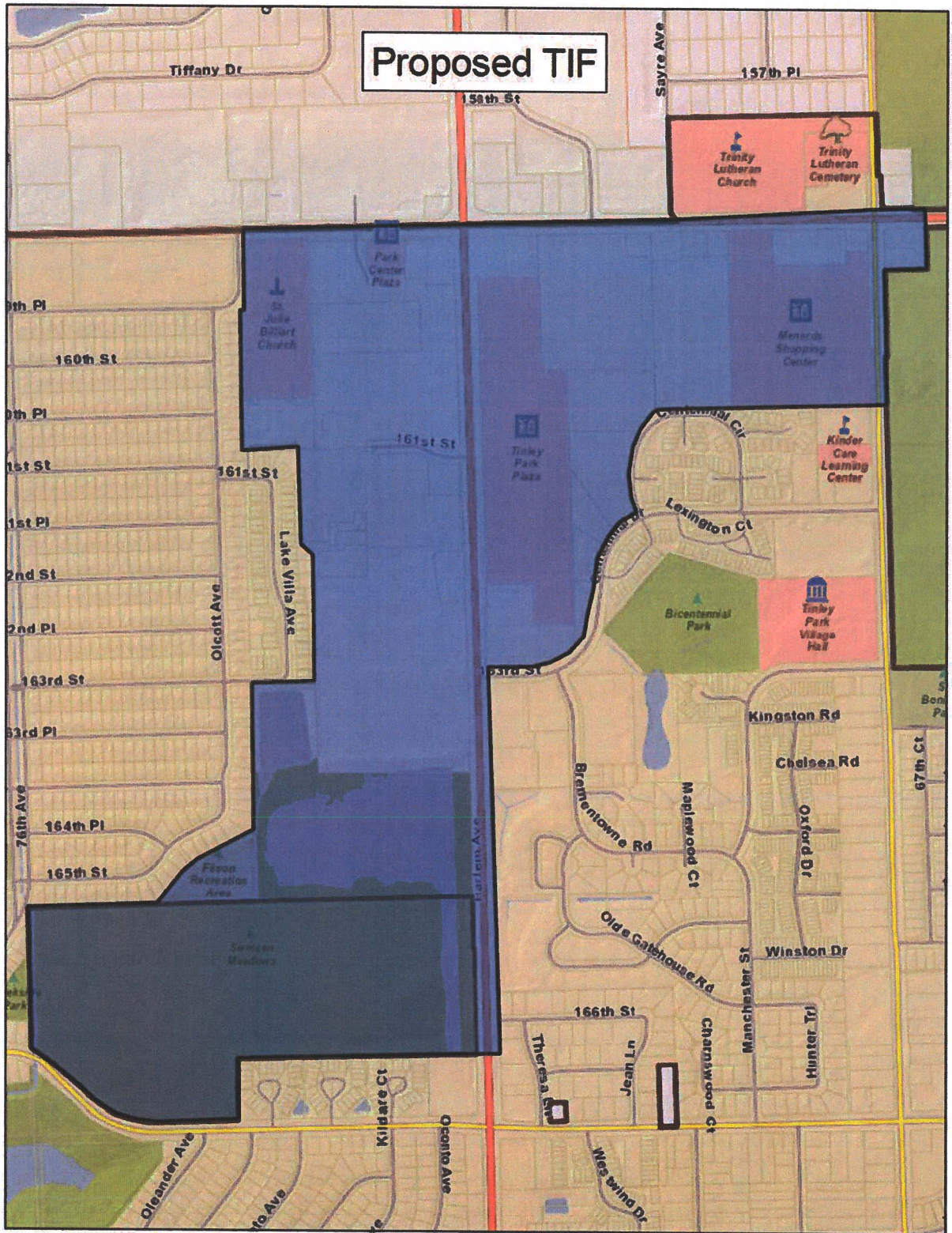
Title: Deputy Village Clerk

Upon acceptance, please return an executed copy of this agreement to Maureen Barry at the email address provided above.



**APPENDIX A**  
**Project Study Area**

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## **APPENDIX B**

# **Disclosures of Conflicts of Interest**

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## APPENDIX B

### Disclosures of Conflicts of Interest

#### General Mitigations

As general mitigations of Municipal Advisor's conflicts, with respect to all of the conflicts disclosed below, Municipal Advisor mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates Municipal Advisor to deal honestly and with the utmost good faith with Client and to act in Client's best interests without regard to Municipal Advisor's financial or other interests. In addition, because Municipal Advisor is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of Municipal Advisor is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, Municipal Advisor's municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of Municipal Advisor potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

#### Compensation-Based Conflicts

Please see Section 4 of the Scope of Services, "Fees and Expenses" for information regarding Stern's fees for services provided hereunder (the "**Municipal Advisor Fee**").

The fees due under this Agreement are in a fixed amount established at the outset of the Agreement. The amount is usually based upon an analysis by Client and Municipal Advisor of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by Municipal Advisor. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, Municipal Advisor may suffer a loss. Thus, Municipal Advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Some fees due under this Engagement Letter may be based on hourly fees of Municipal Advisor's personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and Municipal Advisor do not agree on a reasonable maximum amount at the outset of the engagement, because Municipal Advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

#### Other Relationships

Stern serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of the Issuer. For example, Stern serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Issuer under this Engagement Letter. These other clients may, from time to time and



depending on the specific circumstances, have competing interests, such as pursuing the development of a competing project. In acting in the interests of its various clients, Stern could potentially face a conflict of interest arising from these competing client interests. None of these other engagements or relationships would impair Stern's ability to fulfill its regulatory duties to the Issuer.

Beyond this, at the present time, Stern has no known material conflicts of interest that require disclosure under Rule G-42 based on its reasonable diligence. If additional potential or actual material conflicts are identified in the course of the Transaction, Stern will provide you with appropriate additional disclosures:

- Any conflicts of interest that may arise from compensation for municipal advisory activities to be performed that is contingent on the size or closing of any transaction as to which Stern is providing advice; and
- Any other actual or potential conflicts of interest, of which Stern is aware after reasonable inquiry, that could reasonably be anticipated to impair Stern's ability to provide advice to or on behalf of the client in accordance with the standards of conduct of Rule G-42, as applicable.

### **Legal or Disciplinary Events**

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. Accordingly, Stern states below required disclosures and related information in connection with such disclosures:

Stern has no legal or disciplinary events that may be material to Issuer's evaluation of Stern or the integrity of Stern's management or advisory personnel.

### **How to Access Form MA and Form MA-I Filings**

Stern's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at:

<https://www.sec.gov/Archives/edgar/data/764650/000076465018000001/0000764650-18-000001-index.htm>. The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by Stern in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by Stern on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org> and Stern's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>. For purposes of accessing such BrokerCheck reports or Form ADV, Stern's CRD number is 16325.

### **Future Supplemental Disclosures**

As required by Rule G-42, this Appendix A may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of Stern. Stern will provide the Issuer with any such supplement or amendment as it becomes available throughout the term of the Engagement Letter.

## **APPENDIX C**

# **Other Economic Development Services**

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## APPENDIX C

### Other Economic Development Services

Stern offers sophisticated analysis regarding development projects, revenue projections, financial feasibility, and the potential impacts of development to the Village and other taxing districts. Stern is available to assist the Village with the TIF District related service items described below or other services as needed by the Village:

#### FINANCIAL FEASIBILITY STUDY

Stern can provide the necessary financial feasibility study for the construction of Developers Notes or for the issuance of bonds supported by the taxing district.

#### TAX REVENUE PROJECTIONS

Stern can provide projections that estimate the impact of new development to the equalized assessed value of properties and the expected level of property tax revenue. These projections are used to help determine the amount of tax revenue that may be generated by certain development and the overall amount that may be available to fund development projects.

#### REVIEW OF TAXING DISTRICT IMPACT

As part of negotiations with the overlapping taxing districts on the creation, expansion, or extension of a TIF district, the Village may need to provide fiscal impact information to the school or other taxing district. Stern can prepare this information on behalf of the Village. Stern would be prepared to discuss findings with both the Village and the taxing districts to assist the Village in its final strategy.

#### DEVELOPER PRO FORMA ANALYSIS

Municipalities are often approached by developers seeking funding to support a proposed project. One of the biggest challenges communities face when working with developers is determining the appropriate level of assistance. Stern Municipal Advisors regularly conduct Pro forma Analyses for communities pursuing redevelopment, helping them assess the appropriate level of need and developer assistance. This includes determining whether there may be a gap in funding that precludes private parties from earning a reasonable rate of return on their investment to market standards. If there is no such gap, Stern will advise that public assistance is not required. If there is a gap, Stern can assist in quantifying the level of public assistance required and recommend any limits to the assistance. This analysis is required for providing evidence that the project satisfies the “but for” clause described in the Act.

**Note:** The Developer Pro forma Analysis fee may be reimbursed to the Village by the developer.

#### DEVELOPER NEGOTIATION AND AGREEMENT IMPLEMENTATION

Stern advisors have extensive experience in providing municipalities’ assistance in negotiating development agreements for a wide range of commercial, residential, and mixed-used projects. Just as critical as experience in this area, is the need for a consultant that is independent. As one of the few remaining independent, private financial services firms in the country, when Stern works in a municipality, it works for the municipality – not the developer.

Stern advisors have taken a lead role in many development negotiations, as well as provided feedback on redevelopment agreements negotiated by others. The final agreement is subject to attorney review and approval. After the agreement has been approved, Stern can assist in the review of Developer reimbursement requests. Examples of recommendations Stern has made include:

- Amount, type, and timing of incentives or assistance to developers.
  - Receipt of incentives geared toward performance.
  - Incentives based on goals of municipality.
  - Annual Developer Note calculations.
- Use of “Look Back” provisions in development agreements, so that if a project is more successful than projected, the developer will be required to return funds to the municipality.

## DEBT ISSUANCE

Stern can also assist the community in the issuance of debt to support the project, including:

- Exploration of the type of debt that best serves the community.
- Preparation of Feasibility Study to support the project.
- Negotiation of debt.

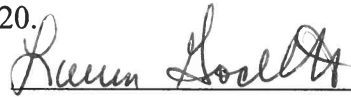
**Note:** Stern’s assistance as a Municipal Advisor with the issuance of debt is subject to a separate service agreement specific to the type of financing.

STATE OF ILLINOIS        )  
COUNTY OF COOK        )     SS  
COUNTY OF WILL        )

CERTIFICATE

I, KRISTIN A. THIRION, Village Clerk of the Village of Tinley Park, Counties of Cook and Will and State of Illinois, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2020-R-023, **“A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE VILLAGE OF TINLEY PARK AND STERN BROTHERS & CO. FOR A TAX INCREMENT FINANCE (TIF) FEASIBILITY STUDY AND RELATED SERVICES FOR A PROPOSED 159TH AND HARLEM TIF DISTRICT.”** which was adopted by the President and Board of Trustees of the Village of Tinley Park on March 3, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Tinley Park this 3<sup>rd</sup> day of March, 2020.



\_\_\_\_\_  
DEPUTY VILLAGE CLERK



## CONTRACT AND DOCUMENT APPROVAL CHECKLIST

Ordinance/Resolution No: \_\_\_\_\_

Exhibits Attached: Yes \_\_\_\_\_ No \_\_\_\_\_

Contracting Party/Vendor: \_\_\_\_\_

Contract Contact Info: \_\_\_\_\_

Bid Opening Date (If applicable): \_\_\_\_\_

Mylar (Rcvd by Clerk's Office): Y / N - Date Sent for Recording: \_\_\_\_\_ Date Recorded: \_\_\_\_\_

Certificates of Insurance Received: Yes \_\_\_\_\_ No \_\_\_\_\_

Contract Expiration: Date: \_\_\_\_\_

Signature of Contracting Party received: Yes \_\_\_\_\_ Date: \_\_\_\_\_

Staff Review Date: \_\_\_\_\_ Approved Via: \_\_\_\_\_ By: \_\_\_\_\_

Attorney Review: Date: \_\_\_\_\_ Approved Via: \_\_\_\_\_ By: \_\_\_\_\_

Village Manager Review: Date: \_\_\_\_\_ Approved Via: \_\_\_\_\_ By: \_\_\_\_\_

Committee Review Date: \_\_\_\_\_ Committee Type: \_\_\_\_\_

Committee Approval Date: \_\_\_\_\_ Committee Type: \_\_\_\_\_

Village Board Meeting: Date: \_\_\_\_\_

Village Board Approval: Date: \_\_\_\_\_ Approved: \_\_\_\_\_ Denied: \_\_\_\_\_

**Notes:**