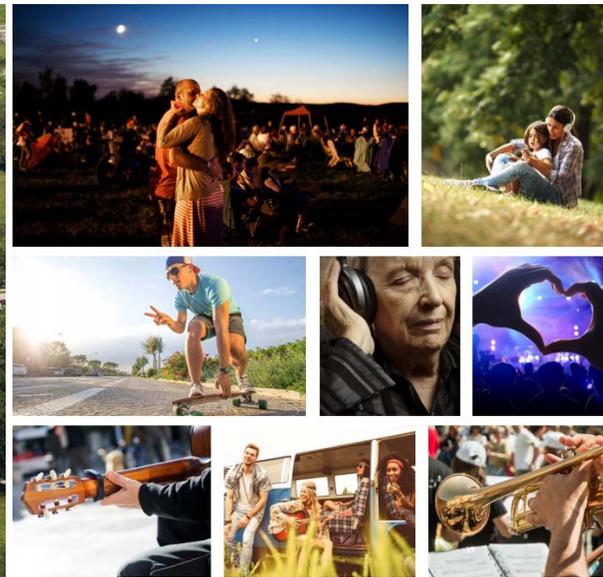


RESPONSE TO REQUEST FOR PROPOSALS

Tinley Park Mental Health Center Development

October 1, 2018



URBANSTREET
GROUP LLC

Tinley Park
ILLINOIS
Life Amplified

SECTION	TABLE OF CONTENTS	PAGE
	Executive Summary	3
INTRODUCTION	Company Profile and Qualifications	4
SECTION A	Success with Similar Projects: Case Study <input type="checkbox"/> Master Development Case Study: Veridian- Redevelopment of the Motorola Corporate Campus in Schaumburg, Illinois	9
SECTION B	Development Proposal <input type="checkbox"/> Narrative Description <input type="checkbox"/> Development Program and Uses <input type="checkbox"/> Community Engagement Process	14
SECTION C	Conceptual Master Plan	20
SECTION D	Market Information <input type="checkbox"/> S.B. Friedman Market Conclusions with Developer Modifications	24
SECTION E	Project Phasing and Timing <input type="checkbox"/> Phasing Plan	25
SECTION F	Preliminary Revenue Projections <input type="checkbox"/> Project Feasibility and Public Sector Participation	29
SECTION G	Public Benefits of the Project	34
SECTION H	Developer’s 2-Year Work Plan	38
SECTION I	Financial Capacity	39
SECTION J	Conclusion	40
APPENDIX	<input type="checkbox"/> Goodman Williams Group Opinion on Market Findings <input type="checkbox"/> Ryan Homes Letter regarding home pricing and lot pricing	

EXECUTIVE SUMMARY

UrbanStreet Group is pleased to present our Proposal for the redevelopment of the 280-acre site at the Tinley Park Mental Health Center site located at 183rd and Harlem. Sites of this size and scale with both public transit and easy highway access are rare in any metropolitan area. We view this site as a tremendous opportunity for both Tinley Park and the Master Developer.

- UrbanStreet Group is an experienced and innovative real estate developer focused on the Chicago suburbs. As large employers are drawn to downtown Chicago, other cities and other states in this dynamic economy, infill opportunities like the TPMHC are emerging in the Chicago suburbs. In response, forward thinking suburbs are evolving and UrbanStreet is helping to lead this trend by re-imagining similar large sites in the Chicago suburbs including the 225-acre, 1.8M SF former Motorola Campus in Schaumburg. We are overcoming obstacles such as environmental contamination, obsolete and vacant buildings, outdated zoning and site configuration challenges to create vibrant mixed-use environments that are more compact, more walkable and more sustainable.
- Years of time, energy and community engagement have already been invested by the Village of Tinley Park, its land planners at FARR Associates and its economic advisors at S.B. Friedman to develop a shared vision for a mixed use project. As a Master Developer, we view our role as executing that vision, and we support the uses identified in the Village's planning documents. UrbanStreet envisions a new community emerging at the TPMHC that will include transit oriented apartments near the Metra station, a variety of for-sale single family detached and attached housing types, senior housing, retail, office and entertainment venues surrounding several park and recreational opportunities that will draw the wider community into this project.
- While we bring strong expertise in transit oriented multifamily development and mixed-use retail development, we recognize that taking on developments of this scale is an interdisciplinary effort and we cannot do it all ourselves. To accelerate the project, we will develop key components ourselves and recruit development partners with expertise in specialty areas like single-family homes and rowhomes, senior housing, medical office, entertainment venues and hotels. At our Motorola redevelopment project, we have built strong relationships with best-in-class development partners and end users, including national homebuilders like D.R. Horton, entertainment venues like Topgolf, senior housing developers, medical office developers and hospital systems. We would take the same approach at the TPMHC and would bring resources, capital and vision to the project. We will craft a solution for the site in keeping with the community's vision and will diligently execute that vision.

We appreciate the opportunity to respond to this Request for Proposal and we thank you for your consideration.

URBANSTREET
GROUP LLC


ILLINOIS
Life Amplified

INTRODUCTION: COMPANY PROFILE AND QUALIFICATIONS

- UrbanStreet Group, LLC is an entrepreneurial real estate company driven to deliver innovative solutions in real estate development, investment, property management and construction management across a range of property types. We are a growing, well capitalized and privately held partnership headquartered in Chicago that has nearly doubled in size in the past two years and we are excited for the future. We are looking for transformative projects that will help the Chicago suburbs evolve to attract new residents as well as today's employers, retailers and entertainment venues by creating unique environments to pull them all together.
- UrbanStreet has a particular expertise in the design and construction of multifamily residential communities, mixed-use retail development, and redevelopment of large-scale land sites that involve re-thinking, re-planning and adaptive re-use. We believe strongly in the transit oriented development approach where it is possible and we promote pedestrian focused environments.
- Over the past 25 years, the company has created value in both urban and suburban locations throughout the Chicago suburbs and the Midwest through master planning, securing complex entitlements and pursuing public/private partnerships. We listen and actively engage with municipalities and work hard to turn visions into realities.
- We are not afraid to take on brownfield sites industrial sites, outdated corporate campuses or retail properties in need of re-imagining. We are proud to be the Master Developer for the former 225-acre Motorola Corporate Campus in Schaumburg, Illinois where we are currently executing the redevelopment of over 1.8M SF of vacant office and industrial buildings in collaboration with the Village of Schaumburg.



UrbanStreet Group was founded in 1996 by Bob Burk and Bob Kuker:



BOB BURK

Co-founder and Managing Partner

Bob has over 27 years of real estate development, construction design, construction management and general contracting experience. He is primarily responsible for managing all aspects of the entitlement, planning and construction processes for all projects and developments undertaken by the company. Bob's career began with custom design/build residential and commercial projects, and has expanded into large-scale multifamily development, residential communities, condominium development, office construction and development, retail construction and land development. He has a degree in Business and Marketing from Miami University (Ohio).



BOB KUKER

Co-founder and Managing Partner

Bob has over 20 years of real estate investment, development and management experience including owning, operating and renovating office and retail properties, developing new apartment and condominium communities, planning and managing large-scale land developments and significant experience in real estate finance and law. He is responsible for finding real estate investment and development opportunities and managing all aspects of the development process from acquisition and financing to management and sale. Prior to UrbanStreet, Bob was an equity partner at Neal, Gerber & Eisenberg in Chicago, and practiced in the areas of real estate, finance, investments and securities. He attended the University of Colorado / Boulder and St. Mary's University receiving a degree in Accounting, and received his JD from The John Marshall Law School.

KEY PERSONNEL

The following key personnel are involved in the projects for UrbanStreet:



JONATHAN DENNIS

Director of Development

Jonathan has 18 years of real estate development, acquisitions, and asset management experience with public REITs, private developers and educational institutions. Previously, he worked with Catellus and the University of Chicago where he led the master-planned redevelopment of a large portion of the Glenview Naval Air Station in Chicago's northern suburbs, the development of new business parks on the I-55 Corridor in Chicago's Southwest Suburbs, and the mixed-use redevelopment of 53rd Street in Hyde Park on Chicago's South Side. Jonathan leads planning, entitlements, financing, and leasing for UrbanStreet. He holds a Bachelors of Arts in Economics from Northwestern University and also received his Masters Degree in Real Estate Development and Finance from Columbia University in New York.



JIM WELLS

Director of Construction

Jim has over 25 years of experience in real estate development with expertise in construction management, building design, purchasing and land development. He is responsible for all construction operations, product design and development efforts. Jim has a Bachelor of Science in Construction Management from the University of Wisconsin Stout.



LISA CIOFFI

Director of Operations

Lisa has over 15 years of real estate management and marketing experience. She attended the University of Toledo receiving her Bachelor of Business Administration with concentrations in Marketing and Management. Lisa leads all marketing, branding, and tenant relations for UrbanStreet Group. In addition she manages property operations and leasing for the company's office portfolio.

REFERENCES

The following list includes several of UrbanStreet's key contacts:

VILLAGE OFFICIALS:

Matt Frank

Village of Schaumburg

*Assistant Director of Community Development -
Economic Development Manager*

101 Schaumburg Court, Schaumburg, IL 60193

Phone: 847.923.3853

Email: mfrank@villageofschaumburg.com

Gregg Roby

Village of Crestwood

Mayor

1 Detjen Dr., Crestwood, MO 63126

Phone: 314.729.4700

Email: GRoby@cityofcrestwood.org

CAPITAL PARTNERS:

Nick Marrietti

VennPoint Real Estate

Principal - Equity Partner for Motorola/Veridian

401 West Superior St., Suite 200, Chicago, Illinois 60654

Phone: 312.863.1207

Email: nick@vennpoinetre.com

URBAN PLANNING/ARCHITECTS:

Joseph Antunovich, AIA

Antunovich & Associates

Master planner for Motorola/Veridian

224 West Huron Street, Suite 7E, Chicago, Illinois 60654

Phone: 312.266.1126

Email: jantunovich@antunovich.com

Ray Hartshorne, AIA

Hartshorne Plunkard Architecture

Architect for Motorola Veridian Office Adaptive Re-Use

232 Carpenter Street, Chicago, Illinois 60607

Phone: 312.226.4488

Email: rhartshorne@hparchitecture.com

CONSTRUCTION:

Mike Perry

HBD Construction

General contractor for The Crest and Tower at OPOP

5517 Manchester Ave., St. Louis, Missouri 63110

Phone: 314.781.8000 ext. 322

Email: mperry@HBDgc.com

Additional references are available upon request.

DEVELOPMENT CONSULTANTS AND TEAM MEMBERS

The following list includes some of UrbanStreet's development consultants and team members who have assisted on several projects:

LAND PLANNER:

Antunovich Associates is an architectural, planning and interior design firm with a broad range of professional expertise that includes master planning, programming and design of large mixed-use commercial developments, corporate campuses, historic preservation and adaptive re-use, museums, office buildings, higher education facilities, multi-family residential and retail/commercial. Their mission is to create successful design solutions in a timely and cost-effective manner. Not only does the firm have a diversified portfolio, they also provide numerous services including architectural design, urban planning, land planning, interior design, facility programming, classroom utilization, facilities utilization, LEED consulting, coordination of large interdisciplinary design teams, zoning consultation, historic building evaluation, retail planning consulting and athletic and recreation consulting.



ENGINEER:

SPACECO, Inc. provides a full range of civil engineering, site planning and surveying services for residential, commercial and industrial construction projects. Their highly qualified staff is dedicated to creating quality site plans. SPACECO, Inc. has helped develop nearly 10,000 acres of land in 125 municipalities and 12 counties in Illinois, Indiana, Wisconsin and Michigan. Part of The Burke Group of companies since 1989, their combined staff of over 300 includes both Professional Engineers and Professional Land Surveyors. All of these companies are at one location which gives SPACECO, Inc. the advantage of having close at hand, a vast amount of experience and expertise in the fields of civil, highway, mechanical and environmental engineering. In addition, The Burke Group staff includes wetland specialists, scientists, technicians and survey crews.



WETLANDS CONSULTANT:

Christopher B. Burke Engineering, LLC (CBBEL) specializes in the planning, design and construction management of municipal and private infrastructure projects including stormwater, flood control, wastewater, environmental management, transportation and recreation. The firm was established by Christopher B. Burke, Ph.D., P.E. in 1986 and includes nearly 50 professionals in four offices across Indiana, including Indianapolis, Columbus, Crown Point and South Bend. CBBEL was founded in water resources and they have established a reputation as an industry leader when it comes to stormwater, floodplain and watershed based work. They have some of the most experienced and talented staff who continue to provide the exceptional service on which they built their reputation. In addition, their staff continues to take on new challenges, expanding their collective capabilities. They are now clear leaders in areas such as sustainable project planning and design, emergency planning and response, tunneling design and construction.



SITE OVERVIEW



- A redevelopment project of scale encompassing 225-acres.
- 1.8 SF of existing and vacant Motorola industrial and office buildings.
- Demolition and remediation of 1.3M SF existing obsolete buildings.
- Adaptive Re-Use and repositioning of an existing 360,000 SF office building.
- Master-Planning, Re-Zoning, Re-Platting and Re-location of existing utilities.
- Installation of a new road network.



VERIDIAN

PROJECT: 225 acre mixed-use redevelopment in Schaumburg, Illinois. UrbanStreet Group has completely re-imaged this site and engaged in a collaborative process with the Village of Schaumburg to create a new Master Plan and a completely new zoning district for the property that will encourage a mix of uses oriented around a new public park and a central retail core that is pedestrian friendly. We are serving as the Master Developer bringing other best-in-class developers, homebuilders and entertainment venues to the project. We are also the vertical developer of several key pieces. Components include:

- Over 1,500 units of residential development at full build out. UrbanStreet is developing a 250-unit high end apartment building now.
- Over 225,000 square feet of retail, restaurants and entertainment venues with 400 apartments above in a walkable retail core. UrbanStreet is developing this mixed-use component.
- Up to 3.3M square feet of office space anchored by large employers currently on site, including Motorola and Zurich North American HQ.
- Two new hotels of 150 rooms each. UrbanStreet is bringing in proven hotel developers for this component.
- A large central public central park programmed with engaging activities. UrbanStreet is dedicating land to the Village to create this new park.
- 250 rowhomes adjacent to a public open space within walking distance to retail space and amenities. UrbanStreet has recruited the nation's largest homebuilder to develop this component.
- Topgolf golf and entertainment venue. UrbanStreet has attracted Topgolf to the site to develop its own golf and entertainment venue.
- A new road network with connected running and biking trails linking all parts of the development.



FINANCIAL COMMITMENT AND DEAL STRUCTURE:

- UrbanStreet was able to assemble equity financing to make an all cash purchase of the site for \$27M from Motorola.
- We are investing \$60M in remediation, demolition and infrastructure costs over the phased development.
- To accelerate the development, we are taking a two-pronged approach by selling development parcels to best-in-class developers and end users. We are also self developing key parts of the project, including new multifamily and mixed-use retail.
- At full build out over a 10-15 year period, we anticipate that over \$600M of new value will be created.
- Environmental remediation, demolition and rehab costs for existing structures along with the construction of new structured parking will be supported with TIF proceeds. Up to 3.3M square feet of office space anchored by large employers is currently on site, including Motorola and Zurich North American HQ .

VERIDIAN MASTER PLAN



Re-branding and Changing Perceptions

At the former Motorola Campus, we are working to create a new sense of place. For more than half a century, this site has been associated with one very successful corporation, but it was an island unto itself. We are changing that perception through a focused re-branding effort. The development is called Veridian, and it will become a place to live, work and play for people of various ages and demographics. Veridian will offer for sale rowhomes, a range of rental apartments, senior housing, assisted living, multiple restaurants and entertainment venues and shopping, all in a walkable format with access to significant employment opportunities.

A NEW
[SUB]URBAN
EXPERIENCE



VERIDIAN



SECTION B: DEVELOPMENT PROPOSAL: NARRATIVE AND VISION FOR THE PROJECT

Vision:

- UrbanStreet acknowledges that Tinley Park has invested years of time and energy in developing a shared community vision for the TPMHC site in conjunction with its land planning consultants at Farr & Associates and its economic advisers at S.B. Friedman & Company.
- As a Master Developer, we view our role as executing that vision, and we support the uses identified in the Village’s planning documents. UrbanStreet envisions a new community emerging at the TPMHC that will include Transit Oriented apartments near the train station, a variety of for-sale single family detached and attached housing types, retail and entertainment venues where feasible and several park and recreational opportunities that will draw the wider community into this project.
- We want the project to attract a range of residents from young families to seniors and believe that this can be accomplished through careful development of a residential unit mix in different sizes and configurations built by multiple homebuilders. We also support the idea proposed in the planning documents of offering “naturally affordable units” based on their size and layout that will be quickly absorbed by the market.
- Most importantly, we see an opportunity to create a jewel for Tinley Park that will completely change the perception of this site to become a positive and engaging place.



Planning for Flexibility:

Our current experience in redeveloping similar projects like the 225-acre Motorola campus in Schaumburg has taught us that the development plan must be market driven and flexible. The TPMHC site is so large and is such a long range project that it may not be possible to predict now all the uses that will be drawn to the site over time. So, our approach is to build flexibility into our plan so that we can respond to the market. A project of this scale will succeed and will be absorbed more rapidly if multiple developers are involved, each acquiring a parcel that is ready for development from a single Master Developer.

PROPOSAL NARRATIVE AND VISION FOR THE PROJECT

Master Development Approach:

UrbanStreet proposes to serve in this Master Developer role and will acquire the site as a whole in a single purchase from the Village and/or the State of Illinois to expedite the redevelopment. We will be the single point of responsibility to remediate the site, demolish existing buildings, re-zone and establish a mutually acceptable Master Plan. We will develop the initial transit oriented apartments ourselves as a catalyst and will simultaneously attract development partners for the balance of the project. We have found that homebuilders and co-developers want to see the Master Developer have “skin in the game” and there is no better way to demonstrate our confidence in the project than to develop the initial vertical development phases with our own capital.

Step 1: Master Plan and Re-Zone: In partnership with the Village of Tinley Park, UrbanStreet Group would finalize and confirm the Master Plan for the site and will then create a new zoning district to enable development according to the plan.

Step 2: Confirm Environmental, Demolition and Infrastructure Costs: UrbanStreet Group will confirm costs and scope for the environmental remediation and demolition of existing structures as well as new on-site infrastructure to facilitate development.

Step 3: Confirm and Negotiate Public Development Incentives: UrbanStreet will negotiate public development incentives, including TIF as well as any state and local brownfield grants or other incentives to offset *Extraordinary Development Costs*.



Step 4: Serve as the “Catalyst for Redevelopment” by building the initial phase ourselves:

- We consider the train station to be a key element of strength in the Master Plan and would start the project by investing our own capital to develop transit oriented apartments and supporting retail.
- Based on our own experience as well as the planning and feasibility documents prepared by Farr Associates and S.B. Friedman, we agree that 400 market rate multifamily apartment are feasible. However, we would increase the density here by 200 units to include assisted living and age restricted senior housing in the transit oriented mix.
- Our typical multifamily project size is 200-250 units to achieve economies of scale with construction costs and lease-up. Our first project would be 200 transit oriented apartments with 10,000 SF of supporting retail space.

PROPOSAL NARRATIVE AND VISION FOR THE PROJECT

Step 5: Recruitment of Development Partners and Tenants as Master Developer

Similar to our redevelopment of the Motorola Campus in Schaumburg, UrbanStreet will take the Master Plan to market and find best-in-class developers, homebuilders and end users for each component. As the Master Developer, we will re-brand the site to overcome long held preconceptions and will generate excitement and co-investment from the development community.

As an example, at the Motorola Campus, we master planned, re-zoned and re-branded our 225 acre site and within one year, we now have sites under contract to:

- D.R. Horton - the nation's largest homebuilder to develop 250 attached townhomes. We marketed the site comprehensively and received nine offers from national homebuilders before selecting D.R. Horton.
- Topgolf to develop a state-of-the art golf and entertainment facility, including a multi-story driving range that attracts 375,000 visitors per year. Visit www.Topgolf.com for more information.
- Harbor Chase to develop a 100-unit high-end assisted living community.
- Veridian Living, LLC, an affiliate of UrbanStreet Group, to develop a 260-unit market rate apartment building.
- Age restricted apartment developers to build 150 units of active adult apartment (no assisted living or medical care components).
- A Regional Hospital Systems to develop a cancer treatment center and medical office campus.
- An international automotive manufacturer to develop its corporate headquarters.
- Veridian Mixed Use, LLC, an affiliate of UrbanStreet Group, to develop a walkable town center with 250,000 SF of ground floor restaurants, movie theaters and retail shops with 400 apartment units on the upper floors.



Step 6: Master Development Work: With contracts in hand from other co-developers and end users, we will commence remediation and demolition work and will proceed with infrastructure to deliver development parcels to our co-developers.

DEVELOPMENT PROGRAM AT FULL BUILD OUT

Use Type	Square Footage	Unit Count
Detached Single Family Homes	Avg. 1,800-3,300 SF/Unit	785 Units
Attached Single Family Rowhomes and/or condo units	Avg. 1,600-2,000SF/Unit	306 Units
Market Rate TOD Apartments	Avg. 900 SF/Unit	500 Units
Senior Housing Apartment (Assisted Living and 55+ Active Adult)	Avg. 650 SF/Unit	200 Units
TOD Retail Space	10,000 SF	
Harlem Ave. Commercial/Retail/Entertainment	60,000 SF	
183 rd /Harlem Commercial/Retail /Entertainment	55,000 SF	
Office Space	30,000 SF	
TOTAL	155,000 SF Retail/Commercial	1,841 Residential Units

UrbanStreet reviewed the planning documents created by Farr and Associates along with the market study and feasibility analysis prepared by S.B. Friedman that were commissioned by the Village of Tinley Park. These documents were developed with substantial community input. We agree with this vision of developing a residential community with a mix of housing types to promote affordability and quick absorption. We will also pursue commercial uses along Harlem Avenue and close to the Metra Station. Based on S.B. Friedman's findings and our own experience, we believe that these uses at the programmed densities will be well received by the market and can be readily absorbed over time.

Our only caveats are that in addition to a grocer and pharmacy on Harlem Avenue, we would pursue entertainment oriented retail and possible flex buildings as alternative uses. The market will determine which commercial uses this phase attracts and we want to maintain flexibility. We also believe that additional TOD Apartments can be absorbed and would increase the program from 400-500 market rate units. In addition, we believe that 250 units of senior housing, both active adult and assisted living communities, can be part of the residential mix and would explore adaptively re-using the some of the iconic existing buildings for this use and/or developing new senior housing within the Master Plan.

COMMUNITY ENGAGEMENT

UrbanStreet Group has worked on complex and transformative projects throughout the Chicago area and across the Midwest, including the Motorola Corporate Campus Redevelopment in Schaumburg, the Glenview Naval Air Station Redevelopment in Glenview and the redevelopment of Hyde Park surrounding the University of Chicago Campus. With all these master-planned projects, we worked closely with the municipality and the community to achieve better outcomes. We recognize that successful projects depend on proactive community engagement. We also acknowledge the stakeholder feedback that the Village and Farr Associates have already generated and we would build upon it. We understand how important this site is for Tinley Park and why it must be well executed. To ensure the community is engaged with the site, we plan on the following process:

- We will meet with all stakeholders and community members interested in the project as often as needed throughout the zoning and planning process and will do all we can to address their concerns and incorporate their ideas into the final plan. A project of this magnitude will only be successful if it is built on a shared vision. We have always listened carefully to the community and to our customers to ensure that the development finds both community and market acceptance.
- We will hold regular meetings with Village Staff, Trustees and Community Members.
- We will develop an interactive website with updates and drone videos of construction progress for the community. We will respond to questions whenever needed.
- We will build a marketing center on site that will be open to the public and will help to visually describe the new community as it takes shape.

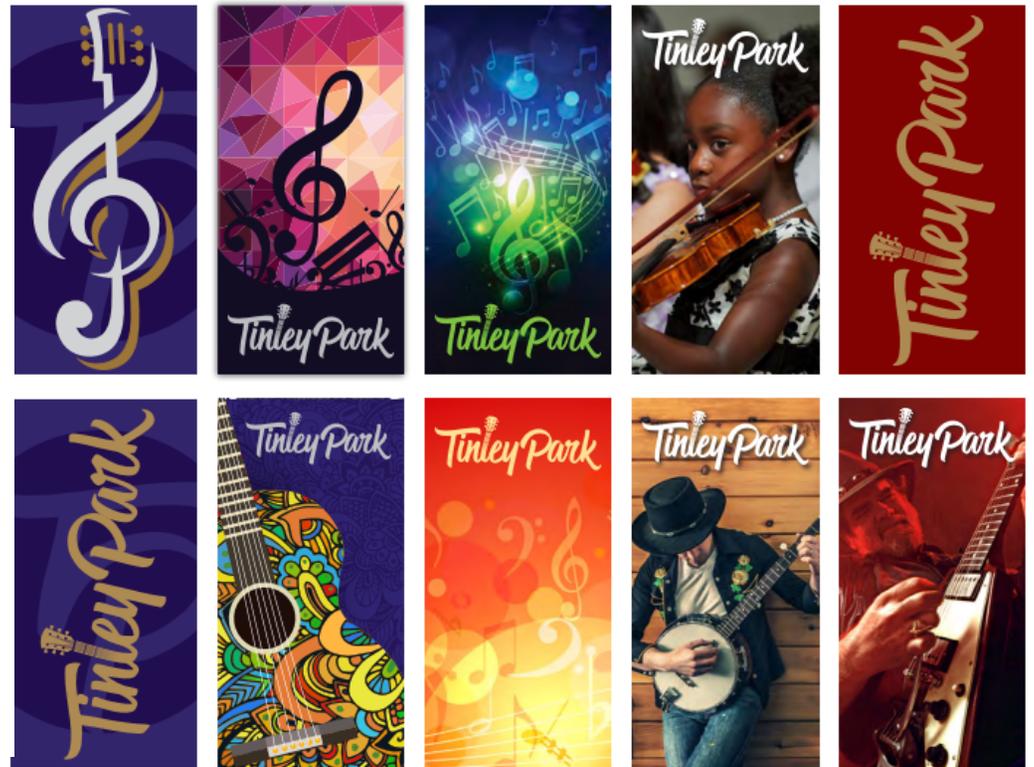
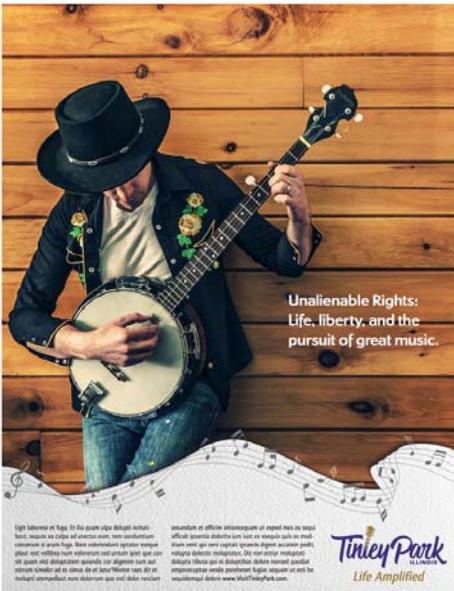


The Village of
Glenview

BRANDING

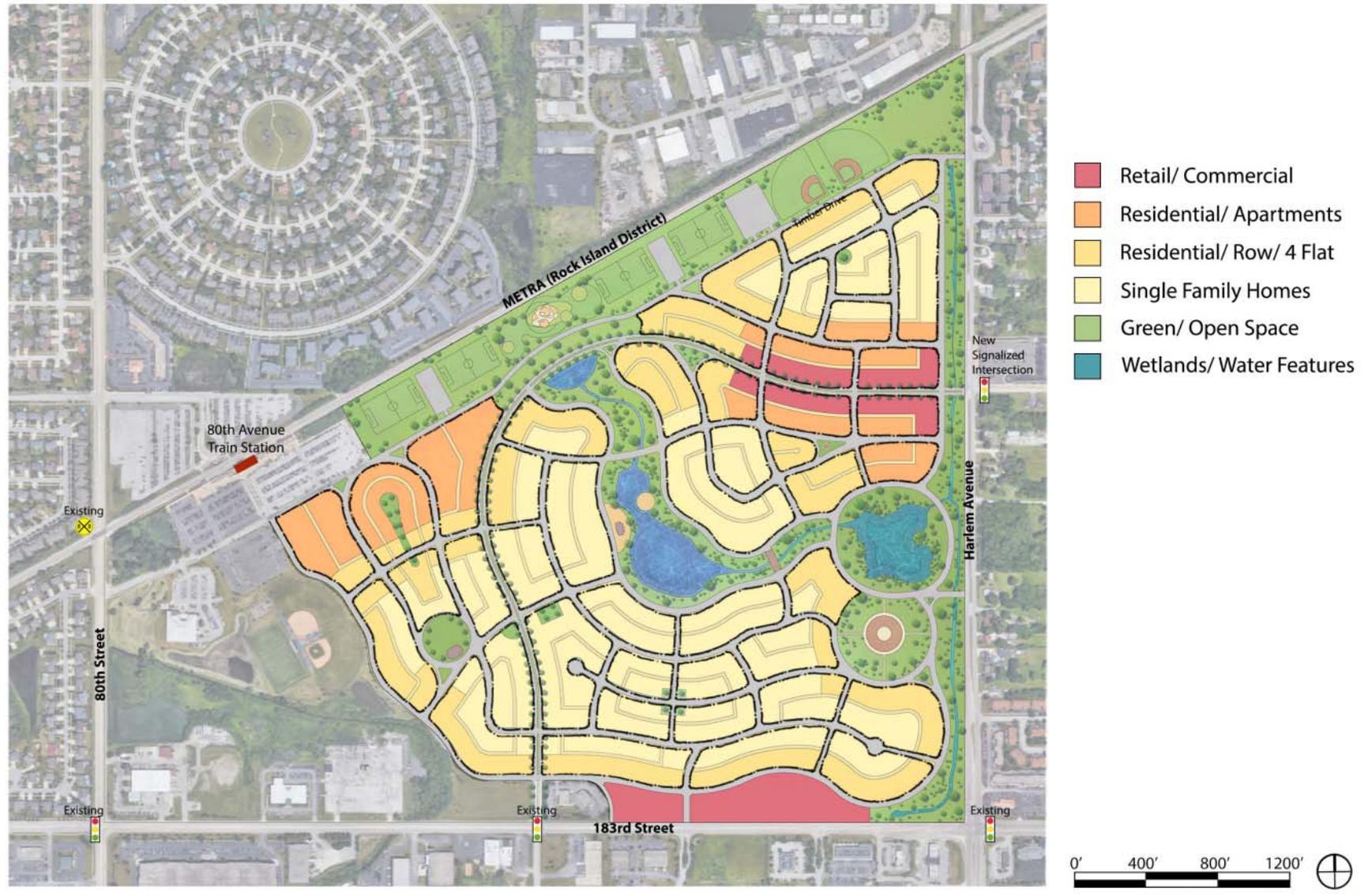
UrbanStreet Group strongly believes that branding is an important part of any development but it has an especially strong role when redeveloping blighted sites. UrbanStreet has reviewed the complete recent rebranding of Tinley Park and the associated action plan. We will align with Tinley Park's music based branding efforts wherever possible from naming streets, distinct neighborhoods, parks and buildings to communicate the energy that "Life Amplified" has brought to Tinley Park.

We will work closely with the Village and community residents to develop a name for this new Master Planned Community that reflects the character of Tinley Park.

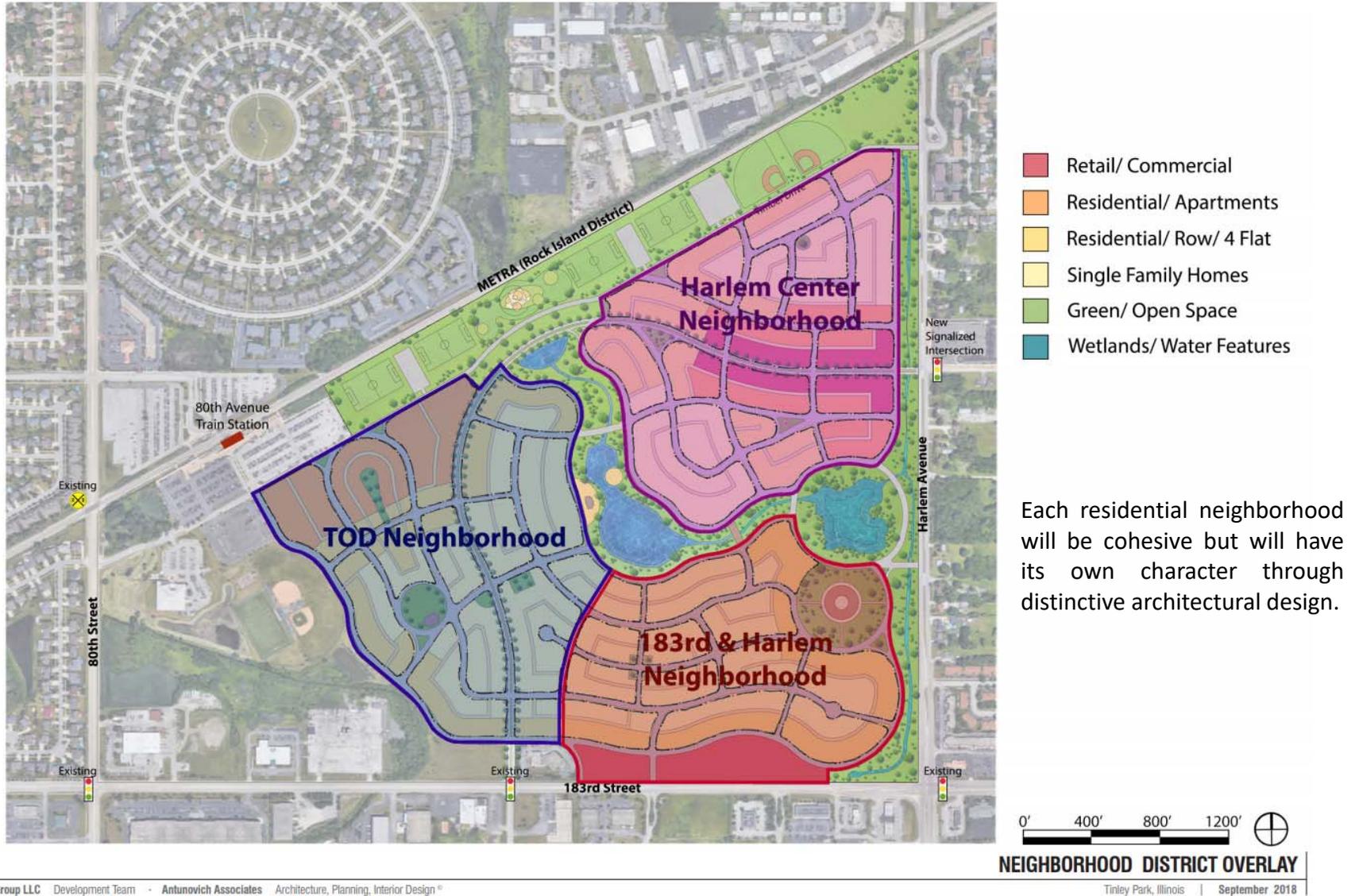


SECTION C. CONCEPTUAL MASTER PLAN

UrbanStreet will develop a market-based feasible plan that meets the visions of Tinley Park and its residents. At this time, we support the mix of uses described in the FARR Associates Plans and would collaborate with the Village to execute a shared vision. Our land planners and architects at Antunovich Associates created the following Master Plan in keeping with the spirit of the work done by Farr Associates and allowing for the same uses and densities.



DISTINCT NEIGHBORHOODS STITCHED TOGETHER BY PARKS, LAKES AND OPEN SPACE



Walkable Street Plan

The organic form of the streets create a sense of place and distinction from the typical neighborhood grid. The constantly curving but shorter and terminating streets provides for safer and calmer traffic movements for vehicles and pedestrians. The very walkable and enjoyable street, sidewalk and path patterns encourage foot traffic and connection to all the amenities the site has to offer. A long curving boulevard acts as a main spine to connect Harlem Avenue and 183rd Street to all the districts and conveniences within the site.

DESIGN INTENT

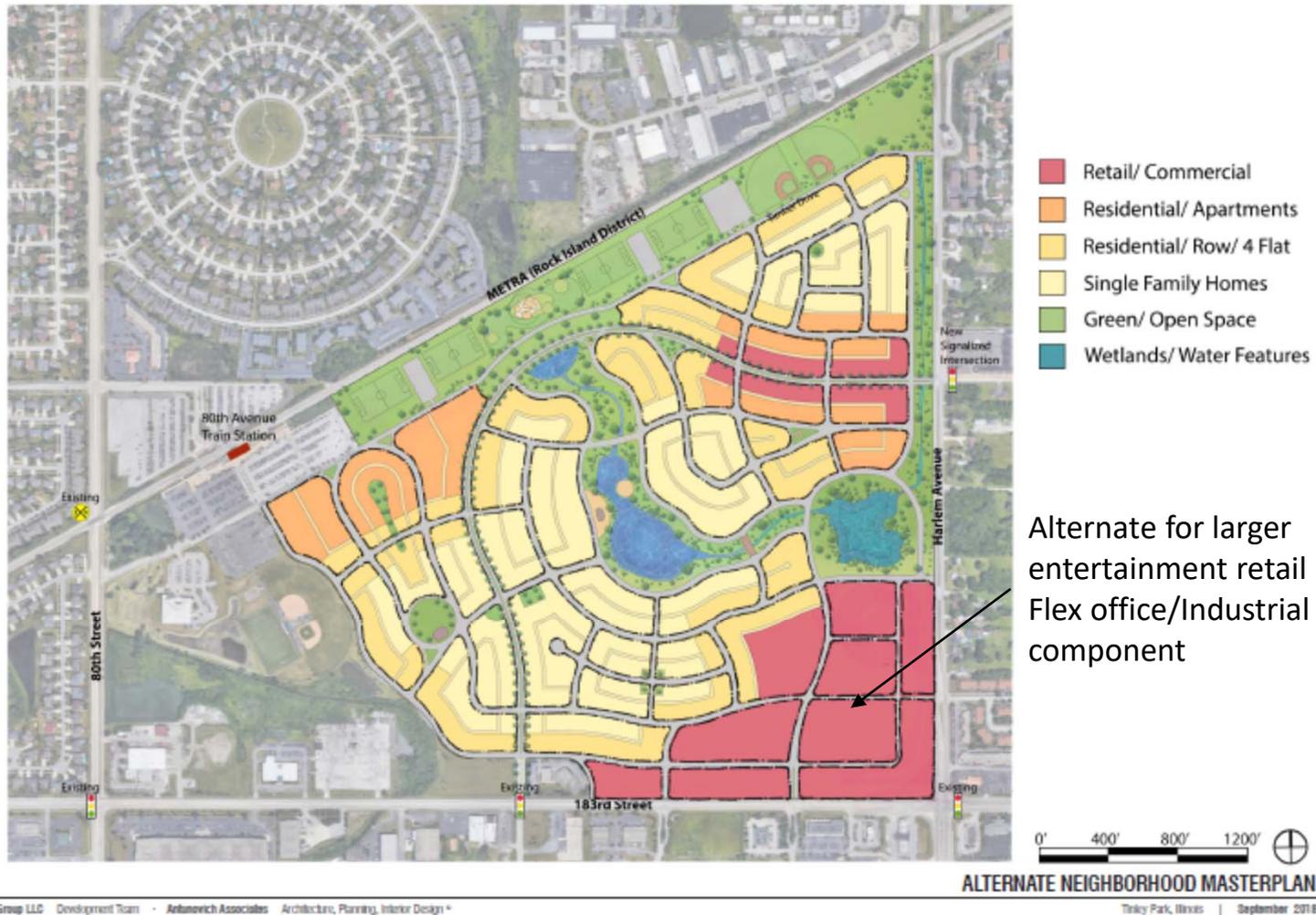
In keeping with the Master Plan developed by Farr & Associates, our planners at Antunovich Associates have conceived a plan that is compact and walkable with open space interspersed throughout plan. The focal points include several ponds that will serve both for recreation and stormwater detention. Roadways will include walking paths and trails as well as open space and “pocket parks.” The Metra and transit oriented retail are also in close proximity to the single family and townhome neighborhoods.

UrbanStreet has not yet designed the specific facades of the homes but our goal is to create a neighborhood based on the principals of New Urbanism with compact lot sizes, shared parks and open space, front porches and a pedestrian friendly plan. We will work closely with our homebuilder partners to develop attractive architectural styles. Our goal is to create a cohesive design theme for the project but still offer variety within each residential neighborhood to avoid a “cookie cutter” appearance. We want the project to feel as if it has been developed over many years, which means that there will be variation in building massing and façade designs. Not only do we believe that this is a good approach aesthetically, but we also know that neighborhoods with variety in housing types, layouts and façade design tend to find greater market acceptance and absorb more quickly.

Below are some examples of the types of home design we will explore for this project with materials ranging from different types of siding to masonry.



ALTERNATE PLAN WITH ENTERTAINMENT RETAIL AND FLEX INDUSTRIAL AT HARLEM & 183RD ST.



Alternate for larger entertainment retail and/or Flex office/Industrial component

- In our experience, retail and commercial development will “follow the rooftops.” As a result, we see the district at 183rd and Harlem developing as a later phase in the project. If we find that we have too many single family homes or townhomes, we will pursue and alternate plan driven more by destination and entertainment based retail in this zone that can draw from a wider radius. In our Motorola Project in Schaumburg, we were thrilled to bring in Topgolf, a national golf entertainment venue and restaurant attracts 375,000 people a year. We would pursue this type of regional draw.
- Based on market feedback, we will also consider flex office/industrial buildings as an option in this quadrant combined with the right mix of tax abatements to compete with Will County.

SECTION D. MARKET INFORMATION

In preparing this Proposal, UrbanStreet Group reviewed the in-depth Market Study and other summary documents prepared by S.B. Friedman & Associates on behalf of the Village. We have worked with S.B. Friedman in the past and have found them to be a thorough market analyst that does high quality research. In conjunction with our own experience, research, and discussions with residential and commercial real estate brokers and national homebuilders active in the South Suburbs of Chicago, we believe that S.B. Friedman’s findings are reasonable and valid.

- We also had Linda Goodman & Associates review the S.B. Friedman Market Study. Linda Goodman and Associates is an established market research firm with over three decades of experience which completed studies for us at the Motorola Campus redevelopment in Schaumburg. Goodman also found the S.B. Friedman study to be well researched and valid.
- As a result, we have utilized S.B. Friedman’s proposed 2018 home prices of \$339,000 per house for detached single family homes and \$263,000 per house for attached rowhomes as a base case in our financial analysis and modeling. However, in analyzing this project further with national homebuilders, including Ryan Homes, they have indicated that the average pricing may be a little higher at \$350,000 per attached single family homes and \$270,000 for attached rowhomes depending on their assumptions. See appendix including a letter from Ryan Homes. Since little new housing product has been developed in Tinley Park, we agree with S.B. Friedman that new homes with multiple product types in a well conceived Master Planned community can achieve a strong price premium over existing re-sales.
- The S.B. Friedman also gave a high and a low rate of absorption for the housing. Again, we believe that by employing a Master Development Approach and bringing multiple builders to the project at the same time, we can accelerate the whole project.
- Our plan is to change the TPMC from a blighted set of vacant buildings into a place where people of all ages will want to live. This can be achieved through changing perceptions of the site through re-branding and through building momentum through quick physical and visible progress on the site. We believe that we can build this momentum and thus have utilized the “high” rate of absorption in S.B. Friedman’s study of 60 units per year for single family detached homes and 21 units per year for attached townhomes.
- In addition to S.B. Friedman’s and Farr Associates findings, we believe that there is market demand for Senior Housing and Assisted Living within the TPMHC Master Plan. National trends and direct experience with two senior housing projects at our Motorola Campus development in Schaumburg have led us to include 250 units of senior housing in our plan. Based on our experience developing market rate multifamily projects in the Chicago suburbs over the last 7 years, we believe that more TOD apartments can be developed and have increased the density from 400 units in the S.B. Friedman/Farr Plan to 500 units in our proposed plan.



SECTION E. PROJECT TIMING

We expect that the 280-acre TPMHC site will be built out in phases. The timing will be market driven and depend on demand and broader economic factors. Based on the Master Development Approach with multiple developers pursuing their projects at the same time and assuming the “high” absorption of single family homes and rowhomes supported in the S.B. Friedman Market Study, we believe that this project can achieve full build-out over a 15-year period once absorption starts in 2023. We see a timeline as follows but believe that the 2-year Acquisition/Planning/Zoning Phase can be expedited with active involvement by the Village of Tinley Park:

2018 1		2019 2	2020 3	2021 4	2022 5	2023-2037 YEARS 6-20
ACQUISITION			PLANNING & ZONING	INFRASTRUCTURE	PRE-SALES AND CONSTRUCTION	ABSORPTION
<ul style="list-style-type: none"> • Selection of Master Developer 	<ul style="list-style-type: none"> • Contract Negotiation • Property Due Diligence 	<ul style="list-style-type: none"> • Master Planning • Community Engagment • Marketing to Co-Developers 	<ul style="list-style-type: none"> • Bidding/Scope Confirmation 	<ul style="list-style-type: none"> • Pre-Sales 		
<ul style="list-style-type: none"> • Negotiation of Terms with Village and State of Illinois 	<ul style="list-style-type: none"> • Acquisition 	<ul style="list-style-type: none"> • Develop new Zoning District with Tinley Park to Enable the Master Plan 	<ul style="list-style-type: none"> • Installation of initial roads and infrastructure • Entitlements and site planning by Co-Developers 	<ul style="list-style-type: none"> • Construction of Apartments and housing 	<ul style="list-style-type: none"> • Construction of Infrastructure and Product Type by Phase 	

DEVELOPMENT CONCEPT BY PHASES

Phase 1: Transit Oriented Multifamily near the Metra

Our “vision” would be in line with Tinley Park and the community’s vision for a mixed-use Master Plan with higher density transit oriented development near the Metra. This would include multifamily apartments, which our firm could develop along with supporting retail. Throughout the Chicago suburbs, we have found a lack of supply of new, high quality apartment buildings. As an example, our North 680 project nearby to the Motorola Campus in Schaumburg was the first new apartment building developed in that suburb in 25 years. We believe there is an opportunity to build new apartments, especially next to transit. We have found that 250-unit multifamily projects tend to have greater economies of scale and would propose a slightly larger program of 500 apartments to be developed in two phases and distinct projects of 250 units each.

Phase 1A: Walkable and Connected Open Space Tying Together the Distinct Neighborhoods

We believe that open space is integral to a successful master plan for the TPMHC and would locate it in several parts of the plan. In Schaumburg, we are creating a large central park. We would consider various approaches here that would respect the existing topography and site drainage. We also believe in a combination of natural passive open spaces and more formal spaces programmed with activities by the Village. We would pursue both types of open space in the plan.



Phase 2: For Sale Housing: Harlem Center Neighborhood (NE Third)

Like our Motorola project, we would also develop rowhomes or single family homes oriented around engaging natural open space. We would make the entire master plan as compact as walkable as possible. We recognize that there could be concerns from school districts about residential development. However, we believe that Tinley Park and the suburbs in general often lack the kind of rowhomes and compact single family homes in a more dense walkable environment near transit options. There is a market for this type of for-sale residential development. We have built relationships with some of the country's largest single family homebuilders, including D.R. Horton, Pulte, Ryan Homes, Toll Brothers, MI homes and others. We generated several offers from homebuilders at our project in Schaumburg and ultimately selected D.R. Horton to build 250 rowhomes. As a Master Developer, we would pursue the same process at the TPMHC and would consider a mix of housing types to attract young families as well as other demographics.

Phase 3: Adaptive re-use of existing buildings

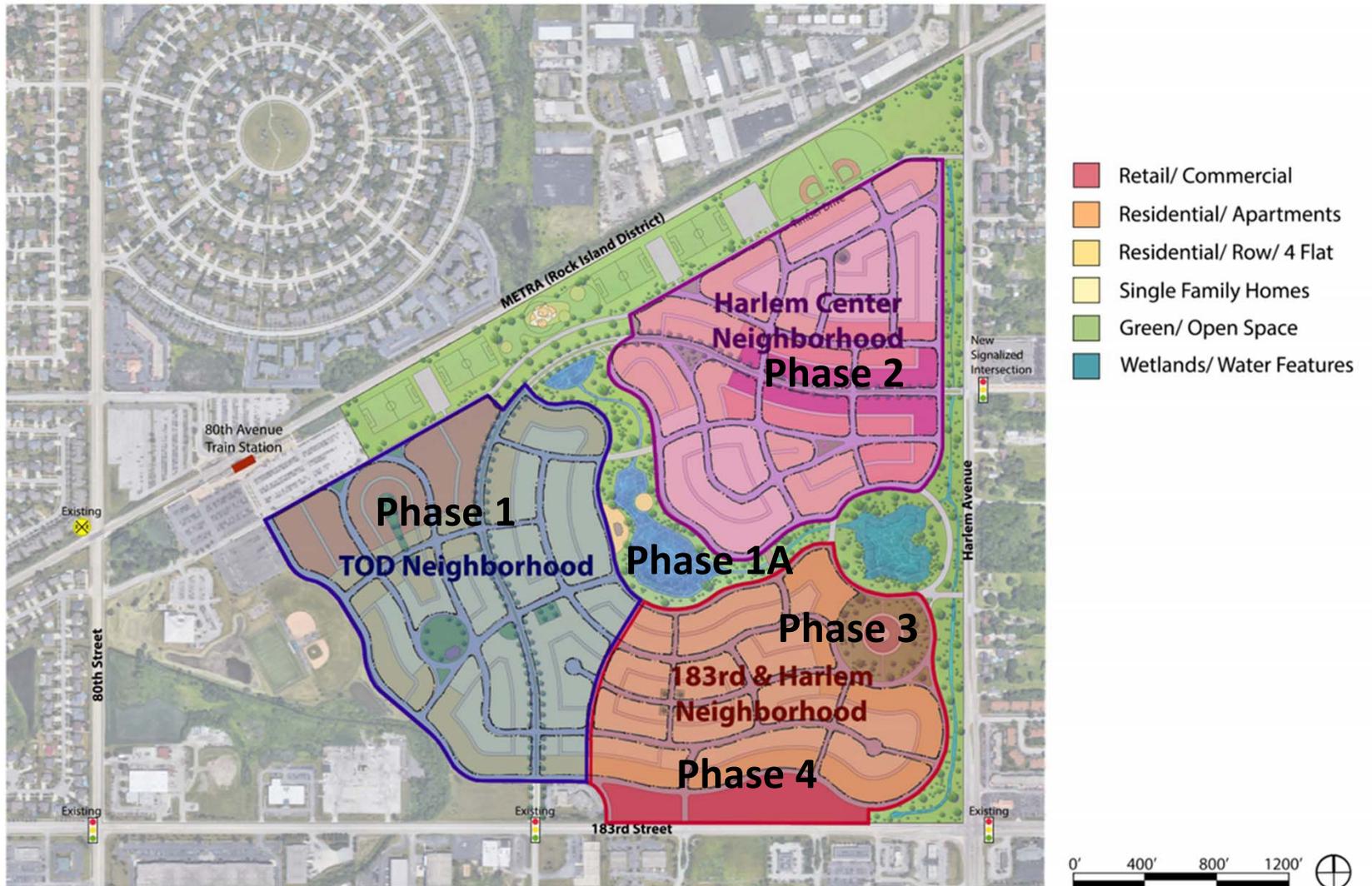
We would also carefully consider the existing TPMHC buildings to determine which buildings, if any, could be adaptively re-used. If it is feasible, we would seek to retain some of these buildings. We will explore re-using the iconic circular TPMHC building for assisted living and/or age restricted housing. We would like to preserve and adaptively re-use this building if possible. However, if costs make it infeasible, we would still want to have new construction of assisted living and age restricted housing elsewhere in the Master Plan.



Phase 4: Retail and Office Development: (SE Third along Harlem and 183rd Street)

We see an opportunity for retail development along Harlem Avenue to create a mixed-use environment within the 280-acre site but feel that these commercial components will follow the earlier residential phases. It is often the case that the retailers "follow the rooftops. We are working with an excellent retail leasing team on our other projects and will explore these opportunities at the TPMHC. Retail across the country is changing and evolving right now. Based on the Village Planning documents prepared by S.B. Friedman, we have programmed the Master Plan to include 125,000 SF of retail, including a grocer and a pharmacy as well as 30,000 SF of office space. If this proves to be a challenge, but we would pursue other more entertainment and experiential concepts that will add excitement to the plan. We have been successful with unique entertainment uses like Topgolf and would pursue similar uses within this Master Plan.

PHASING SEQUENCE



NEIGHBORHOOD DISTRICT OVERLAY

SECTION F. PRELIMINARY REVENUE PROJECTIONS: ASSUMPTIONS

Based on our proposed development program and the absorption pace and home pricing provided by S.B. Friedman and reviewed by Goodman Williams Group, UrbanStreet Group has developed the following revenue assumptions for the Project:

Development Program and Absorption Assumptions

	Acres*	Total Units	Square Fee	Absorption	Unit	Start	Comments
For Sale Detached Housing	70.94	785		60	lots/YR	starting 2023	Sell lots as they absorb
For Sale Attached Townhomes	40.54	306		21	Lots/YR	starting 2023	Sell lots as they absorb
Multifamily Apartment Buildings	20.38	500		250 units every 5 years	Units	starting 2023	Self Develop Multifamily Projects
Harlem Ave Retail/Commercial	13.93	0	125,000	Sell half the acreage in 2026/ Sell half the acreage in 2029	SF	Starting 2026	Sell development site to retail developer
Office Space	incl. in comm.	0	30,000	Sell half the acreage in 2026/ Sell half the acreage in 2029			Sell office site to office developer
Senior Housing	incl in MF land	250		150 units 2023/ 100 units 2026	lots	Starting 2023	Sell senior housing sites
Flex Industrial Space	0.00	0	TBD	TBD			Flex Industrial is an Alternate Plan
Parks, Open space, wetland, detention	77.57	0		N/A			
Road ROW and Alleys	56.64	0		as units are absorbed per phasing plan			
Total	280.00	1,841	155,000				
Revenue Assumptions							
		Finished Home Price (2018)**	Annual Price Escal.	Land Price/Unit (2018)	% of Finished Home Price		Comments
Residential							
For Sale Detached Housing		\$ 350,000	2%	\$75,000	21%	per Lot	Assume lot sales
For Sale Attached Townhomes		\$ 270,000	2%	\$50,000	19%	per Lot	Assume lot sales
Multifamily Apartment Buildings		\$ 223,000	2%	\$18,000		per Unit	Assume Sale of Development Site
Senior Housing		\$ 223,000	2%	\$23,000		per Unit	Assume Sale of Development Site
Commercial							
				Land Price***			
Retail Space		\$ 261	2%	\$10.00		per Land SF	
Office Space		\$ 153	2%	\$8.00		per Land SF	
Flex Industrial Space		\$ 94	2%	\$6.00		per Land SF	

* Land Areas per Antunovich Associates Land Plan

**Finished single family home and townhome prices per Ryan Homes. Assumes finished lots ready for homebuilding with roads and infrastructure by Master Developer

***Land Pricing based on discussions and research with local commercial brokers

PRELIMINARY REVENUE PROJECTIONS: LOT SALES REVENUE

UrbanStreet analyzed this project first from our perspective as Master Developer, who will acquire and remediate the property, demolish buildings and install infrastructure in order to sell large development parcels to homebuilders, commercial developers and senior housing developers. We will self-develop the transit oriented multifamily apartments ourselves. From this point of view, revenue is derived from land sales of development parcels to co-developers summarized as follows:

							Total Revenue From Lot Sales**** 2023-2037	
Development Program, Absorption Assumptions, and Revenues from Lot Sales								
	Acres	Total Units*	Total SF**	Absorption***		Unit Price (2018)	Annual Escalation	
For Sale Detached Housing	70.94	785		60	Units/yr	\$75,000	2%	\$ 73,854,230
For Sale Attached Townhomes	40.54	306		21	Units/yr	\$50,000	2%	\$ 19,392,431
Multifamily Apartment Buildings	20.38	500		250 units every 5 years		\$18,000	2%	\$ 10,346,280
Harlem Ave Retail	13.93	0	125,000	Sell half the acreage in 2026/ Sell half the acreage in 2029		\$10.00	2%	\$ 7,327,101
Office Space	incl. in comm.	0	30,000	Sell half the acreage in 2026/ Sell half the acreage in 2029		\$8.00	2%	\$ -
Senior Housing	incl in MF land	250		150 units 2023/ 100 units 2026		\$23,000	2%	\$ 6,503,895
Flex Industrial Space	0.00	0		Flex Industrial is an alternate plan		\$6.00	2%	
Parks, Open space, wetland, detention	77.57	0				N/A		
Road ROW and Alleys	56.64	0				N/A		
Total	280.00	1,841	155,000					\$ 117,423,938

* Development Program based on SB Friedman Market Study and Farr Plan with some modification to density and uses by Developer

** Development Program based on SB Friedman Market Study and Farr Plan

***Absorption based on "High Absorption" in the SB Friedman Market Study

****Revenue assumptions based on Master Development Model forecasting sales of development sites by Master Developer. Revenues are un-discounted

Revenues are generated over a 15 year period

Note: UrbanStreet has summarized the total Lot Sales Revenue at full build out (undiscounted over 15 years) for simplicity here. If the Village wishes to see a year by absorption schedule, we can provide.

PRELIMINARY REVENUE PROJECTIONS: BUILDING SALES REVENUE

As requested, UrbanStreet also analyzed this project on the basis of total market value created through the development and sale of the apartments, senior housing, single family homes, rowhomes, and retail space. This value can be used to estimate the Equalized Assessed Value and Tax Increment generated on this site over time given that it is currently tax exempt and the base EAV is zero.

TPMHC TOTAL BUILDING REVENUE FROM REDEVELOPMENT

Calendar Year						Total 2023-2037*
Development Program and Absorption Assumptions						
	Acres	Total Units	Total SF	Absorption		
For Sale Detached Housing	70.94	785		60 units/yr		785
For Sale Attached Townhomes	40.54	306		21 Units/yr		306
Multifamily Apartment Buildings	20.38	500		250 units every 5 years	Units	500
Harlem Ave Retail	13.93		125,000			125,000
Office Space	incl. in comm.		30,000			30,000
Senior Housing	incl in MF land	250		150 units initially		250
Flex Industrial Space	0.00					
Parks, Open Space, Wetland, Detention	77.57					
ROW and alleys	56.64					
Total	280.00	1,841	155,000		Units	1,841
Revenue Assumptions						
<u>Residential</u>		Sale Value (2018)	Annual Price Escal.			
For Sale Detached Housing		\$ 350,000	2%			\$342,873,148
For Sale Attached Townhomes		\$ 270,000	2%			\$104,719,128
Multifamily Apartment Buildings		\$ 223,000	2%			\$128,178,915
Senior Housing		\$ 223,000	2%			\$63,059,507
<u>Commercial</u>		Sale Value (2018)	Annual Price Escal.			
Retail Space		\$ 261.11	2%			\$39,412,008
Office Space		\$ 153.33	2%			\$5,554,577
Flex Industrial Space		\$ 94.00	2%			
TOTAL SALES REVENUE FOR COMPLETED BUILDINGS ADDED TO TAX BASE						\$683,797,284

*absorption begins in 2023 and ends in 2037 based on SBF Market Study "high" absorption for single family and rowhomes

Note: UrbanStreet has summarized the total Lot Sales Revenue at full build out (undiscounted over 15 years) for simplicity here. If the Village wishes to see a year by absorption schedule, we can provide.

PROJECT FEASIBILITY REQUIRES PUBLIC PRIVATE PARTNERSHIP

Extraordinary Development Costs and Need for TIF Assistance

- We anticipate investing our capital to acquire the land at the State of Illinois Appraised Value once it is determined. At this time, based on the current cost estimates, we are assuming a single phase purchase of \$4.16M using the State of Illinois’s asking price. We will then invest additional capital to remediate and demolish buildings and prepare the land development.
- While this Master Development can generate substantial revenues over the 20-year time horizon, through both the sale of development parcels to homebuilders and other co-developers, there is significant work to be done first before the site is ready for vertical development and will attract these co-developers. Environmental remediation, building demolition, new roads and utilities, off-site costs, park improvements, and other sitework are all “Extraordinary Development Costs” that need to be dealt with to make the site usable.
- At this time, UrbanStreet Group is taking the cost estimates prepared by Farr & Associates, the Village, and its engineering consultants at face value to consider basic project feasibility. However, after a brief walk through the buildings, we do have some concerns that additional costs for environmental remediation and roadway infrastructure will be needed beyond these estimates. If selected to move forward, we will certainly investigate further with our full team of engineers and contractors.
- Based on information compiled by S.B. Friedman in their DRAFT Tinley Park State Campus Market Assessment, dated January 29, 2018, there are approximately \$50.2M in “Extraordinary Development Costs” that would typically be eligible for TIF Assistance (described below). We agree that these costs are above and beyond normal project costs that a Developer absorb and that public participation through TIF will be necessary:

Table 2. Estimated Extraordinary Development Costs

	Extraordinary Costs
Building Demolition [1] [2]	(\$6,533,000)
Asbestos Abatement [1] [2]	(\$3,193,000)
Environmental Remediation [1] [2]	(\$2,915,000)
Extraordinary Infrastructure Costs [3]	(\$12,186,327)
Park Improvements [4]	(18,944,000)
Relocation of Metra Parking [5]	(\$1,462,500)
Multifamily Apartment Subsidy [6]	(\$5,000,000)
Total Extraordinary Costs	(\$50,233,827)

[1] Costs have been inflated to 2017 \$s using the Consumer Price Index

[2] Phase II Environmental Assessment, Tetra Tech (2014)

[3] Includes differential cost estimate for hauling materials off site for stormwater. Robinson Engineering, provided December 12, 2017. Refer to **Appendix X** for additional detail

[4] Based on \$800,000 per acre. Cost estimates provided by Site Design Group

[5] Based on \$4,500 per stall. Cost estimates provided by Farr Associates

[6] SB Friedman estimate based on construction costs of comparable apartment buildings, assuming 10% subsidy required

TAX INCREMENT FINANCING

Our proposed development program generally matches the densities and unit counts considered in the S.B. Friedman Study, which concludes that there is enough Tax Increment to just cover the Extraordinary Development Costs after paying the school districts their statutory share of the increment assuming “High Absorption” pace of home sales, as described below.

Table 6. Estimated Present Value of Net Incremental TIF Revenue [1]

	Low Absorption	High Absorption
Gross TIF Revenue	\$39,691,000	\$71,704,000
Less Elementary School Tuition Payments	(\$5,714,000)	(\$11,156,000)
Less High School Tuition Payments	(\$4,369,000)	(\$8,531,000)
Net TIF Revenue	\$29,834,000	\$52,509,000

[1] Discounted using 5% cost of funds

Our proposal supports the notion that the “High Absorption Pace” can be achieved with a mix of product types and the simultaneous investment of multiple co-developers to accelerate the project.

Based on the current cost estimates for remediation, demolition, roads, earthwork, detention, utilities, and other infrastructure outlined by Farr Associates in their planning documents and the fact that at least \$52M in present value TIF increment could be available to help offset these costs, we believe this project is feasible from a Master Development standpoint through development parcel sales.

However, the TIF covers the Extraordinary Costs with a narrow margin and relies on High Absorption to realize that increment. As a result, we will explore other Brownfield Grants and subsidies and may need to discuss the TIF further with the Village at a later stage. Our goal is to successfully execute the project as cost efficiently as possible and to conserve both public and private resources. If selected to proceed, we will confirm these cost estimates and will work with the Village on a mutually acceptable Public Private Partnership to ensure the feasibility of the project.

SECTION G. PUBLIC BENEFITS OF THE PROJECT: MASTER PLAN FEATURES

A New Sense of Place

In our minds, the greatest public benefits of this project are not always easily quantifiable and tangible today. We see the TPMHC site as a once in a generation opportunity to transform a blighted, vacant and underutilized 280-acre site within Tinley Park into a place to live, work and play for generations to come. It will be a community offering a variety of housing options and commercial development that will appeal to a range of ages and demographics. It will be a place to grow up and to grow older.

As an experienced Master Developer and building developer, we are uniquely capable of turning this vision into a reality by planning and re-zoning the site in cooperation with the Village, remediating and demolishing buildings, re-branding, attracting tenants, co-developers and homebuilders to the project. We will bring both capital, creativity and energy to a site that has long been dormant. We are committed to its success for the duration and will see it through so that the Village Trustees will be able to look on this site not as a collection of dilapidated buildings but as a new community based on the very best practices in urban planning and development.

Assuming 1,841 new residential houses, apartments, senior housing and townhomes, we envision **3,700-5,500** people living on the TPMHC at full build out.



Plan Features

Our Master Plan offers additional community benefits by:

Preserving wetlands and natural habitats and providing new parks, sport fields, lakes and water features that will serve as recreational areas :

77.87 Acres

Building new roads and infrastructure, including bike paths and running trails:

56.64 Acres

Bringing new retail and entertainment options to Tinley Park :

13.93 Acres

PUBLIC BENEFITS OF THE PROJECT: JOB CREATION

Jobs and Employment

Over the 15-20 year development timeframe for this site, we envision construction activity that will create over **\$683M in value** at full build out. Based on information and estimates from National Association of Homebuilder Study *“The Economic Impact of Building in a Typical Local Area: Income, Jobs, and Taxes Generated 2015,”* we estimate the construction **workforce to be over 7,014 workers**. In addition, there will be ongoing permanent employment as well to maintain the entire development and retail and office workers in the commercial components.

Development Program	Estimated Construction Job Creation
800 single family homes	3,152 jobs
300 townhomes	675 jobs
500 apartments	1,275 jobs
250 senior housing units	562 jobs
Building demolition and remediation	150 jobs
Infrastructure, grading, roads and utilities	1,200 jobs
TOTAL	7,014 jobs



PUBLIC BENEFITS OF THE PROJECT: REAL ESTATE TAX GENERATION BY USE

At full build out, the Project generates an estimated \$19,540,000 per year.

From the beginning of absorption in 2023 to 2037, the project generates approximately \$163.4M in total real estate taxes.

Detached Single Family Homes		785 Homes			Total (2023-2037)
Market Value					\$ 342,873,148
Assessed Value	10%	assessment rate (residential)			\$ 34,287,315
Equal. Assessed Value	2.8032	State Equalizer			\$ 96,114,201
Homeowners Exemption	\$ 7,000	100%			\$ (5,495,000)
Senior Exemption	\$ 5,000	10%			\$ (392,500)
Reduced EAV					\$ 90,226,701
Annual Tax Rate	12.31%	1%	escal.	Total Annual Taxes	\$ 12,442,864
Cumulative Taxes Generated 2023-2037					\$ 93,507,866

*assessment rate, State Equalizer, Exemptions, average tax rate- per S.B. Friedman Market Study for Village of Tinley Park

Attached Single Family Homes		306 Townhomes			Total (2023-2037)
Market Value					\$ 104,719,128
Assessed Value	10%	assessment rate (residential)			\$ 10,471,913
Equal. Assessed Value	2.8032	State Equalizer	per S.B.F Market Study		\$ 29,354,866
Homeowners Exemption	\$ 7,000	100%			\$ (2,142,000)
Senior Exemption	\$ 5,000	10%			\$ (153,000)
Reduced EAV					\$ 27,059,866
Annual Tax Rate	12.31%	1%	escal.	Total Annual Taxes	\$ 3,763,347
Cumulative Taxes/Yr. Cumulative Taxes Generated 2023-2037					\$ 28,789,579

*assessment rate, State Equalizer, Exemptions, average tax rate- per S.B. Friedman Market Study for Village of Tinley Park

Multifamily Apartments		500 Apartments			Total (2023-2037)
Market Value					\$ 128,178,915
Equal. Assessed Value	\$ 24,000	per Unit			\$ 12,868,172
Annual Tax Rate	12.31%	1%	esc.	Total Annual Taxes	\$ 1,699,348
Cumulative Taxes Generated 2023-2037					\$ 21,956,328

*assessment per unit, State Equalizer, Exemptions, average tax rate- per S.B. Friedman Market Study for Village of Tinley Park

PUBLIC BENEFITS OF THE PROJECT: REAL ESTATE TAX GENERATION BY USE

Senior Housing Apartments				250 Apartments	Total (2023-2037)
Market Value					\$ 63,059,507
Equal. Assessed Value	\$ 17,940	per Unit			\$ 4,771,041
Annual Tax Rate	12.31%	1%	esc.	Total Annual Taxes	\$ 624,890
					Cumulative Taxes Generated 2023-2037
					\$ 8,596,469
*assessment per unit per UrbanStreet. State Equalizer, Exemptions, average tax rate- per S.B. Friedman					

Retail Space				125,000 SF of Retail Space	
Market Value					\$ 39,412,008
Equal. Assessed Value	\$ 50.00	per SF			\$ 6,870,391
Annual Tax Rate	12.31%	1%	esc.	Total Annual Taxes	\$ 929,903
					Cumulative Taxes Generated 2023-2037
					\$ 9,722,356
*assessment per SF, State Equalizer, Exemptions, average tax rate- per S.B. Friedman Market Study for Village of Tinley Park					

Office Space				30,000 SF of Office Space	
Market Value					\$ 5,554,577.49
Equal. Assessed Value	\$ 18.00	per SF			\$ 593,602
Annual Tax Rate	12.31%	1%	esc.	Total Annual Taxes	\$ 80,344
					Cumulative Taxes Generated 2023-2037
					\$ 840,012
*assessment per SF, State Equalizer, Exemptions, average tax rate- per S.B. Friedman Market Study for Village of Tinley Park					

SECTION H. DEVELOPERS 2-YEAR WORK PLAN

UrbanStreet Group is an established and growing developer with 30 years of experience. We are actively focused on the Chicago suburbs and have several projects in the pipeline at different stages of engagement. However, not only do we have the capacity to bring the full energy resources of our company to the TPMHC project, we are excited about it and have a great team of consultants ready and able to engage. As things ramp up, we would also consider adding professional staff if needed to ensure that this project accelerates as quickly as possible.

Below is a list of our ongoing projects over the next two years:

Motorola Campus Redevelopment

Continued successful execution of the 225-acre Motorola Campus Redevelopment in Schaumburg known as Veridian. After only two years, we have master planned the site, worked with the Village to create a new zoning district and now have over 50% of the development parcels under contract to co-developers or under development ourselves. The project has terrific momentum. We have broken ground and are nearly complete on the site remediation, which frees our team up to engage in a planning and zoning process at the TPMHC.

Element at Veridian

We are breaking ground this fall on Element at Veridian, a 250-unit new construction apartment building in Schaumburg, which we expect to complete and lease over the next two years.

Woodmoore in Lombard

We recently broke ground on a 288-unit construction apartment project in Lombard and expect to complete and lease the building over the next two years.

Arlington Heights and Hawthorn Woods Multifamily Projects

We are pursuing sites for another apartment project in Arlington Heights and have a rental townhome community in the planning stages in Hawthorn Woods.

We are excited about all these projects, but each is at a different stage in its lifecycle. We will have ample capacity to focus on the TPMHC in the next two years and well beyond that through to completion.

CONCLUSION

On behalf of everyone at UrbanStreet Group, we appreciate the opportunity to submit this Development Proposal to Tinley Park and we welcome your feedback.

With 25 years of development experience taking on extremely complex large-scale redevelopment projects, we believe that we have the right skill set, expertise, past experience, financial resources and perseverance to execute this shared vision over the long term. We know how to solve problems and transform vacant and dilapidated buildings into a new community with a unique sense of place. We have done it before and will bring that experience to Tinley Park.

As Master Developer, we will deliver 800 new single family homes, 300 townhomes, 500 apartments, 250 senior housing apartments, 155,000 square feet of retail and office space surrounding high quality open space, natural wildlife habitats, parks and water features that the Village of Tinley Park will enjoy for generations to come.

Our plan is market driven, feasible and flexible. If adjustments are needed over time, we will make them quickly to ensure that momentum continues with the project. If absorption is slow on a particular use or product type, we will be ready to adapt.

We will deliver an array of public benefits to the Village, including homes for up to 5,500 new residents, the creation of over 7,000 construction jobs and the ongoing generation of over \$19.5M in annual real estate tax revenues at full build out.

We will invest the substantial private capital needed to overcome site challenges, including environmental contamination, demolition and obsolete infrastructure. Through a Public/Private Partnership, we will utilize public financing tools, including TIF, wisely to bring this site back to productive use.

Thank you for your consideration.



For more information, please contact:

Jon Dennis
Director of Development
UrbanStreet Group, LLC
jdennis@urbanstreetgroup.com
312.726.9966



APPENDIX

To: Jonathan Dennis, Urban Street
From: Zach Lowe
Re: State Property Redevelopment Tinley Park, IL
Date: September 25, 2018

Urban Street has asked Goodman Williams Group to review the Plan and Market Study for this property in Tinley Park and to provide brief observations. Our thoughts are summarized below.

- The plan shows a mix of proposed residential uses, including detached for-sale homes in both conventional and cluster (i.e., small lot) forms, townhomes and duplexes of various configurations, and multi-family rental units. The mix of proposed residential uses is considered appropriate for the location and advantageous from a marketing perspective.
 - The plan calls for a walkable, urban-style neighborhood that is increasingly in demand by a variety of markets segments, with access to commercial and recreational amenities, as well as mass transit.
 - The plan shows a continuum of product types and the potential to offer units spanning a wide range of prices. This will attract multiple target markets and allow for concurrent marketing of multiple residential programs within the site, thus increasing overall marketability and absorption potentials.
- The plan calls for a roughly 15-year marketing timeframe, accomplished in three phases (not including an initial phase for site preparation, during which no units will be constructed). SB Friedman projects a maximum annual absorption potential of 60 single family detached units and 21 townhome units, or 81 for-sale units overall. A review of recent annual residential construction volumes within Tinley Park and the five identified comparable communities (utilizing building permit issuances as a proxy) suggests that this projection is reasonable.
 - Together, the six municipalities permitted an average of 501 single family units (including both detached and townhome/duplex forms) annually between 2013 and 2017. Assuming that this pace continues, the absorption of 81 for-sale units within the subject property would thus account for 16.2 percent of total annual area permitting volumes, which is considered achievable, particularly given the multiple units types and prices to be offered within the property.
- The plan calls for two 200-unit garden-style rental apartment developments to be developed in two phases (i.e., over a ten-year period). Our experience suggests that demand for new apartments within Chicago's southwest suburbs is strong.

- Few new apartments have been built within the market area (outside of Orland Park) for 20+ years.
- Regional demand for new, highly-amenitized “luxury-style” apartments is strong, emanating, in particular, from the aging Millennial and empty nester/retiree sectors.
- Income strength within the six identified comparable communities is generally supportive of new apartment development.
- The plan calls for a variety of active adult and/or service-enhance senior housing units. Our experience in the market area suggests that demand for units of this type is strong and growing.
- Like most submarkets within the Chicago region, the market area is aging. Within the next five years, the area will have hundreds more senior households than it does today.
- While amenity-rich age-restricted active adult communities (such as those developed by Del Webb) are represented in other portions of the Chicago metro, none are currently active within the market area.
- Our own research suggests that market rate senior housing options (including independent living, assisted living, and skilled nursing and memory care) are lacking within the area.
- SB Friedman’s investigation found little support for new for-sale multifamily product (i.e., condominiums) within the market area in the near to mid-term. Our research within the regional new home market suggests that this assessment is accurate.
- Meaningful recovery within the suburban condominium sector is likely to still be 5+ years away in all but the most desirable high-end boutique locations.
- We are generally in agreement with SB Friedman’s assessment that commercial potentials within the site are more limited, supporting, in the near term, a small number of neighborhood-serving retail/restaurant and personal service business. Once development is well underway and a significant number of new “rooftops” have been absorbed, additional retail/commercial space is potentially warranted, including a smaller grocery store.



September 25, 2018

Jon Dennis
Director of Development
UrbanStreet Group LLC
401 W. Superior St, Suite 200
Chicago IL 60654

Re: Tinley Park Mental Health Facility RFP

Dear Jon,

Thank you for the opportunity to provide some baseline house and lot pricing for your RFP response to the Tinley Park Mental Health Facility. In evaluating the market, we looked at the current market conditions and tried not to project too far into the future based on the amount of unknowns by the time this project comes to market. We looked at three product lines to increase the absorptions, specifically traditional single family, townhomes, and an age targeted ranch product.

Product	Square Foot Range	Desired Lot Width	Expected Avg Sales Price	Lot Value
Traditional Single Family	1800-3300	65' - 75' (41' - 53' Buildable)	\$350,000	\$75,000
Townhomes	1600-2000	20-24' per unit	\$270,000	\$50,000
Age-Targeted Single Family	1200-1900	55' (41' Buildable)	\$270,000	\$50,000

We have made some basic assumptions on product and fees that could influence these prices either way if they are different. These lot values are based on taking the lots down on a quarterly basis in a just in time model.

For background, NVR Inc, d/b/a Ryan Homes, is a publically traded homebuilder and is the fourth largest homebuilder in the country. We build approximately 17,000 homes per year for all life stages, from first time buyers to downsizing active adults, in 42 markets homes.

Please review and let me know if you have any questions or what other information you need.

Sincerely,

NVR/Ryan Homes

Andrew M. Mouw
General Manager, Land