

**VILLAGE OF VERNON HILLS
ORDINANCE 2022-085**

**AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES CONTRACT
WITH KANE, MCKENNA AND ASSOCIATES, INC. IN AN AMOUNT NOT TO
EXCEED \$25,000**

WHEREAS, all professional service engagements which require the expenditure of over \$25,000 require Board of Trustees approval; and

WHEREAS, the Village Board has determined that Kane, McKenna and Associates, Inc. is best able to provide economic development analysis for the Village; and

WHEREAS, this Ordinance will allow for preparation of financial analysis and tax projections related to the amendment to the Hawthorn Mall Redevelopment Agreement.

NOW THEREFORE BE IT ORDAINED BY THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS:

That, the Village Manager is authorized to sign a contract with Kane, McKenna and Associates, Inc. in an amount not to exceed \$25,000 for the purchase of certain hourly rates associated with the preparation of financial analysis and tax projections related to the amendment to the Hawthorn Mall Redevelopment Agreement and associated expenditures.

Dated this 5th day of July, 2022

Adopted by roll call vote as follows:

AYES: 5 – Schenk, Forster, Oppenheim, Koch, Takaoka

NAYS: 0 – None

ABSENT AND NOT VOTING: 2 – Byrne, Marquardt

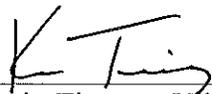


Thom Koch Jr., Chairman Pro Tem

PASSED: 07/05/2022

APPROVED: 07/05/2022

ATTEST: 07/05/2022



Kevin Timony, Village Clerk



June 27, 2022

Mr. Kevin Timony
Village Manager
Village of Vernon Hills
290 Evergreen Drive
Vernon Hills, Illinois 60061

RE: Letter of Agreement for Preparation of Financial Analysis and Tax Projections Relate to Amendment to Hawthorn Mall Redevelopment Agreement– Village of Vernon Hills, Illinois

Dear Mr. Timony:

Thank you for your continued interest in our financial consulting services. Pursuant to our discussion, Kane, McKenna and Associates, Inc. (the “Consultant”), is prepared to assist the Village of Vernon Hills (the “Village”) for purposes of analyzing and reviewing certain financial information (the “Financial Analysis”) provided by Centennial Real Estate, as representative of the development group (the “Developer”). The Financial Analysis would relate to the development changes proposed by the Developer to the original proposed development of a mixed-use project in the Village’s Hawthorn Mall TIF District (the “Project”).

The purpose of the Financial Analysis is to test the validity of a continued request to the Village, by the Developer, for incremental property and sales tax revenues to support the public assistance requested from the Village to based on the changes proposed by the Developer to the Project. The Village has asked the Consultant, from the Village’s perspective, to review the Financial Analysis to help the Village determine if the request for public assistance is still reasonable, based upon its merits, and economically feasible given the underlying revised project cost and incremental property and sales tax revenue projections provided by the Developer and reviewed by the Consultant.

PREPARE TIF PROJECTIONS AND PROJECT ANALYSIS

KMA will assist the Village regarding the following services:

- (1) Critically analyze the revised tax revenue projections provided by the Developer in the Financial Analysis submitted to the Village and test same for reliability and reasonableness by preparing alternative revenue projections based on comparable projects and Consultant’s file data (including “comps” from peer projects). The scope of said projections includes property tax incremental revenues, sales tax projections and/or other municipal revenues that are projected to be generated from the proposed Project being considered by the Village.

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- (2) Review the revised return and budget analyses submitted by the Developer both with and without Village assistance. The Consultant will also prepare alternative return analyses as a means to provide the City with an independent estimate of developer's need for Village financial assistance, and to measure the extent of such need, if any.
- (3) Provide assistance and information necessary for resolution of any Redevelopment Agreement related issues between the Village and the Developer.
- (4) Work with the Village to identify the most feasible economic public financing strategy for any public improvements or other needs of the proposed Project including providing the Village with recommendations regarding proposed revenue/cost projections and the potential funding advantages and disadvantages of various public financing strategies.
- (5) Work with the Village regarding preparation or review of financing strategies.
- (6) Finance Structuring/Redevelopment Agreement Preparation
 - a) Project Update. Update, revise and refine pro formas and Project financial analysis as required by any negotiations including projecting anticipated incremental revenues to be generated from potential development projects and judge whether such revenues are reasonable, feasible and are based on acceptable assumptions given each development project's characteristics and potential.
 - b) Assist the Village in drafting and/or redrafting any agreements in conjunction with the Village attorneys for presentation and negotiations and otherwise perform all duties necessary to facilitate any required agreements on behalf of the Village
 - b) Summary Materials. Assist the Village staff and the Village Administrator, in the preparation of summary materials including the development of a framework for financing.
 - c) Follow-Up. Assist Village in any follow-up, as required.
- (7) Arrange and attend meetings with the Village pertinent to the negotiation of any agreements

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All of the above shall be undertaken under the direction of the Village, and the Consultant is reliant upon cooperation, information and data supplied by the Village to undertake the professional services described above.

COMPENSATION FOR SERVICES

The Village shall be billed monthly for services at the following rates per hour:

President	\$225.00/Hour
Executive/Senior Vice President	\$220.00/Hour
Officers	\$175.00/Hour
Associates	\$125.00/Hour
Administrative	\$ 30.00/Hour

Estimated billings are in the range of \$20,000 to \$25,000 dependent upon the number of meetings or financial iterations required.

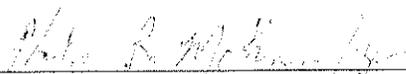
The effective date of this Letter of Agreement shall be June 27, 2022 regardless of its actual date of execution. Either party may cancel this contract upon three (3) days written notice.

Please indicate Village's acceptance of this Agreement by executing the original and copy, and by returning the original to us. We look forward to working with you on this project.

Sincerely,


Philip R. McKenna
President

AGREED TO:



Philip R. McKenna, President
Kane, McKenna and Associates, Inc.



Date

Village of Vernon Hills

Date

VILLAGE OF VERNON HILLS

ORDINANCE NO. 2022-085

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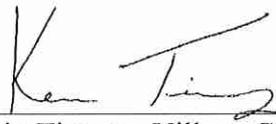
THE 5th DAY OF JULY 2022

Published in pamphlet form by the Authority of the
President and Board of Trustees of the Village of
Vernon Hills, Lake County, Illinois, this
5th day of July, 2022

AFFIDAVIT OF SERVICE

STATE OF ILLINOIS)
)
COUNTY OF LAKE)

I, KEVIN TIMONY, BEING FIRST DULY APPOINTED, DEPOSES AND SAYS ON OATH THAT AS VILLAGE CLERK OF THE VILLAGE OF VERNON HILLS, HE DID CAUSE THE FOREGOING CERTIFICATE FOR ORDINANCE NO. 2022-085 AN ORDINANCE AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH KANE, MCKENNA AND ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED \$25,000 TO BE POSTED IN THE VILLAGE HALL AS REQUIRED BY LAW FROM JULY 5, 2022 TO JULY 15, 2022.



Kevin Timony, Village Clerk

SUBSCRIBED AND SWORN TO BEFORE
THIS 5th DAY OF JULY 2022



Notary Public

