



Village of Hanover Park Administration

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January 24, 2017

Request for Proposal (RFP) As Special Village Counsel/Bond Counsel For a Redevelopment Project and Associated Developer Note Issuance

The Village of Hanover Park, Illinois seeks proposals to serve as special village counsel/bond counsel for a redevelopment project and associated developer note issuance. Please provide written response to the following questions,

1. Please describe your experience serving as bond counsel for a developer note. The note is expected to be tax exempt and initially be held by the developer. The note will be transferable.
2. The redevelopment agreement will be drafted by Village Council. Please describe your experience and approach to providing constructive feedback during the redevelopment agreement review/drafting process.
3. Please provide a fee proposal, including payment timing in relation to initial redevelopment agreement review and comment as well as developer note issuance at a later date.

The contemplated engagement will require participation in conference calls, in-person meetings, as needed and requested by the Village or their designee.

A copy of the term sheet for the transaction is attached. - **Appendix A**

The Village reserves the right to reject any and all proposals.

Please email your proposals no later than **4:00p.m. on Friday, February 3, 2017** to rnavarrete@hpil.org

TERM SHEET

AMAN Living, LLC – 900 Irving Park Rd., Hanover Park

September 16, 2016

1. Developer:

Aman Living, LLC an Illinois limited liability company ("Developer") intends to prepare the site and develop a 129-unit senior housing development, 80 units of assisted living and ancillary retail ("the Project"), which is defined in Section 4 below.

The Developer will provide the following information to the Village prior to approval of the Term Sheet and authorization by the Village Manager to complete drafting of the RDA:

- A list of members of the limited liability company;
- Names and addresses of those who own at least a 5% ownership stake in the LLC;
- An organization chart outlining the composition of the development team;
- Evidence of the financial capacity of the Developer to complete the Project;
- A narrative outlining the Developer's long-term plans for the Project (i.e. disposition at stabilization, long-term hold, etc.).

2. Developer Address:

Aman Living, LLC
Attn: Dr. Anuja Gupta
P.O. Box 853
Frankfort, Illinois 60423

3. Project:

The Developer is proposing to develop and construct a 209-unit senior housing residential development and retail in the Village of Hanover Park, Illinois (the "Village"). The residential is proposed to include the following:

- 54 For-Sale Townhomes
- 75 For-Sale Condominium Units
- 80 Unit Assisted Living & Memory Care Facility

The Developer will also prepare a retail pad and cause to be constructed 6,000 square feet or more of retail and/or restaurant uses in the future.

The development must be substantially consistent with the plan presented to and recommended by the Village's Development Commission on May 12, 2016. There is to be no rental of the residential townhomes and residential condominiums.

4. Village Financing:

The Village intends to negotiate a redevelopment agreement (the "Redevelopment Agreement" or "RDA") with the Developer including, to the extent there are eligible costs, TIF assistance in an amount not to exceed \$6,300,000 million in net cash proceeds, inclusive of reimbursable costs payable to the Village through direct TIF reimbursement and/or a note issuance (collectively the "Financing") upon completion of the Project, at the discretion of the Village. The note shall be tax exempt, subject to Bond Counsel opinion.

Note

To the extent needed, the Note shall be issued as follows:

The Village shall issue the Developer a tax increment note (the "Note") supported from the ad valorem taxes which are allocated to and when collected are paid to the Treasurer of the Village for deposit by the Treasurer into the TIF District and which are exclusively attributable to the incremental taxes levied on the Property ("Available Incremental Property Taxes"). The Treasurer of the Village will withhold 10% of the increment for Village directed TIF eligible costs. TIF increment, to the extent available, will then be used to pay debt service on the Note and to replenish the debt service reserve fund. The remainder of the increment will be accrued in the Special Tax Allocation fund for other eligible expenses within the District.

Should hard construction costs (defined as defined as site development, landscaping, hardscape, vertical building construction costs (townhomes, condo and AI/MC), FFE, direct engineering and surveying, contractors contingency, contractors general conditions, contractors general contracting fee) decrease from the \$33,103,498 presented to the Village on August 2, 2016, the total financing will decrease. The Developer will be permitted to retain 33%% of the cost savings. The remaining cost savings will constitute a direct reduction in the face value of the Financing.

- a) Note. The Village will provide TIF Financing to the Developer upon the issuance of the Certificate of Completion in an initial principal amount equal to a maximum principal amount that will yield net proceeds (after provision for capitalized interest, reserve fund, and closing costs) up to an amount of \$6,300,000. Interest on a Note, if issued, will accrue upon issuance at a rate equal the 20-year BAA Uninsured G.O. Bond Index as published by Thompson-Reuters Municipal Market Data ("MMD") plus 275 basis points. The Village will allow for Capitalized Interest. Upon issuance, the Village will issue an amortization schedule for the Note. The term of the note will be the lesser of 20-years or the remaining life of the TIF District. The Note may not be pre-paid for a period of 5-years from the date of issuance (the "Lock-Out Period"). After the Lock-Out Period, the remaining Note balance or any portion thereof may be prepaid at the Village's discretion.

- b) Assignment of Note. The note may be (i) assigned or pledged as collateral to the senior lender or note, sold or assigned to an accredited investor. In addition, the Developer may transfer the Note at any time to (i) any entity controlling, controlled by or under common control with Developer or (ii) any entity in which the majority equity interest is owned by the parties that have a majority equity interest in the Developer. Notwithstanding the above, a discount upon the first transfer of the Note after original issuance, greater than 5% from the face value will require analysis that demonstrates that the discount is the result of market interest rate changes and will require the consent of the Village.
- c) Reimbursement of Note Expenses to the Village. The Developer will agree to reimburse the Village for all costs associated with the structuring and issuance of the Note. These costs will include attorney and consultant fees, as outlined further in the Agreement for Review-Reimbursement of Village Expenses. This is already documented in the Reimbursement Agreement dated [INSERT]. NOTE -THE REIMBURSEMENT HAS BEEN AGREED TO CONCEPTUALLY, BUT THE AGREEMENT IS BEING WORKED OUT.

5. Project Timeline:

Project timeline is as follows:

[TO BE INSERTED IN FUTURE DRAFT]

Village must be notified of and approve (such approval not to be unreasonably withheld) changes greater than six (6) months to construction start and/or completion dates. Any changes to dates in excess of eighteen (18) months may only be approved by the Village Board.

6. Other Project Financing:

The Developer will provide all necessary private debt and equity financing to be able to construct and complete the Project. Evidence of private debt and equity financing will be preliminarily provided to the Village prior to approval of the Term Sheet and unconditional commitments of private financing subject only to the TIF financing will be a closing condition of the RDA.

7. Certificate of Completion:

The Certificate of Completion shall be issued upon the following conditions being met:

- Completion of construction for 95% of the Project together with final lien waivers on labor and material for 95% of the project.
- Sale and the closing of 90% of residential townhomes and residential condominium units to end users; and
- Stabilized occupancy of the Assisted Living Units (80% occupancy)

8. Village Approvals:

The Village must approve the project plans and specifications, a survey, special use and PUD prior to or simultaneously with the approval of the RDA. All shall be in compliance with the Villages Ordinances and Codes.

9. Prior Expenditures:

TIF-Eligible project expenses may include expenses incurred prior to the execution of the Redevelopment Agreement, provided that the TIF district has been established and the developer has provided expense documentation acceptable to the Village. The Village shall count Project expenses incurred after the creation of the TIF district and prior to the execution of the Redevelopment Agreement toward the final budget, provided the developer has documented these costs in a manner acceptable to the Village.

10. Environmental Audits:

Developer to provide any environmental audits performed on the property. The Developer will provide to the Village the NFR letter that is currently on file with the Illinois EPA.

11. Covenants Running with the Land:

Covenants regarding completion of the Project will be provided in the RDA.

Right of Village to Designate a Special Service Area

The Village reserves the right to designate a Special Service Area (SSA) on the Project that will levy additional property taxes in the event that the property owners' association fails to meet any of these covenants or any of the HOA's obligations.

12. End User/Use Requirements:

Permitted uses of property and improvements only as allowed by the Redevelopment Agreement and Planned Development and any approved amendment thereof ("PD") and the TIF Plan. Wherever there is a discrepancy concerning the permitted uses of the property and improvements between the above controlling documents, the redevelopment agreement will take precedence.

As a condition of this Term Sheet, the Developer will retain ownership of the Assisted Living Units for a period of at least one year following Certificate of Occupancy. The Village also reserves the right to approve the buyer of the Assisted Living Units, the approval of which will not be unreasonably withheld.

13. TIF-Eligible Costs:

The Developer will provide to the Village a detailed itemization of TIF-eligible Project costs and a narrative outlining eligibility of the Note for tax-exempt status. This will be submitted in general prior to approval of the Term Sheet and authorization by the Village Manager to complete the RDA and in detail prior to completion of the RDA.

To the extent required by law, the Developer shall comply with, and shall require its contractors to comply with, the Illinois Prevailing Wage Act, 820 ILCS 130/.01 et seq. (the "PWA"). The Developer hereby agrees to indemnify and hold the Village harmless from all liability, loss, cost, fine, penalty, interest, or other expense, including court costs and attorneys' fees relating to any such judgements, awards, litigation, suits, demands or proceedings that may result from any failure by the Developer or its contractors or subcontractors to comply with the PWA.

14. Closing Requirements:

Proof of Developer equity, Developer financial statements, copy of owner title policy, UCC, tax and judgment searches, opinion of counsel, insurance (acceptable to the Village), and other customary closing requirements.

15. Performance bonds:

Payment and performance bonds are required for any work in the public way as required by Village ordinance.

16. Limits on Developer Action:

Until a Certificate of Completion is issued by the Village, the Developer may not, without the Village's reasonable consent: (i) merge, liquidate or consolidate, (ii) enter into any transaction outside the ordinary course of business, (iii) assume or guarantee the obligations of any other person or entity, or (iv) enter into a transaction that would cause a material and detrimental change to the Developer's condition.

17. Village Remedies upon Default

The Village shall have all ordinary and customary remedies in transactions of this type.

18. Event of Default

Redevelopment agreement standard default provisions except that upon issuance of tax exempt notes identified in Section 6, the Village shall have no right to suspend payments on such notes.

Although it is intended by the parties that the terms reflected in this term sheet will be reflected in the RDA, this Term Sheet is solely an expression of certain terms and conditions for providing a general framework and outline for further negotiations between parties, which will result in a Redevelopment Agreement (RDA). It should be noted the issues addressed in this Term Sheet may not be all-inclusive and should not be considered an agreement or commitment to permit development. All final terms are to be included in a written Redevelopment Agreement subject to Village Board approval.