

April 7, 2020

Mr. David Lothspeich  
3110 Old McHenry Road  
Long Grove, IL 60047

**Re: Development Advisory Services Approach**

Dear Mr. Lothspeich:

Pursuant to our recent discussions, SB Friedman Development Advisors (SB Friedman) is pleased to present our approach to assisting the Village of Long Grove (the "Village") in pursuing its reinvestment and reinvention initiative. It is our understanding the Village seeks to make progress on several priorities, including facilitating development/redevelopment of opportunity sites throughout the Village and enhancing the downtown by attracting destination businesses and aligning Village, property owner and resident goals. In this letter, we outline our proposed approach to assisting the Village in these efforts, and selected examples of our relevant experience.

## Our Approach

Based on our current understanding of the Village's recent efforts and overall economic development goals, we believe the following core scope steps will provide an understanding of achievable development potential and an actionable strategy.

1. **Identify sites susceptible to change.** The Village will need to prioritize which of the key re/development sites on which to initially focus their efforts. Building on the Village's recent comprehensive plan update, we will evaluate current land use, ownership, site size/shape, building age/condition, location, and shovel-readiness to identify which potential re/development sites are most susceptible to change. This analysis would shed light on the sites for which additional Village effort is likely to bear nearer term results.
2. **Conduct market analysis for key land uses/sites.** Real estate markets are driven by demographic and economic trends, attitudes of different population groups, life cycles, and technological change. SB Friedman analyzes these forces to provide our clients with an in-depth understanding of real estate market trends, financial feasibility of projects, impacts of infrastructure on development, and the relationships between transportation and land use. Working with all major land uses, we reconcile supply and demand to project trends and impacts and to envision future development. We bring a unique approach to market analysis due to our extensive experience in working on the entire predevelopment process from the vision to the economically feasible deal. This experience allows us to function as a "proxy developer," guiding a market-feasible planning process that results in plans that are built. The product of our analysis is a development program that is a forecast of what a developer can realistically build on a site or how a subarea will evolve as individual sites are developed. We will work with the Village to identify which sites and land uses will be the focus of our analysis, including the particular segments of the residential (traditional single-family, attached or

higher density single-family) multifamily, senior-oriented, affordable) or retail (experiential, convenience, etc.) markets that should be considered.

- 3. Prepare update to Downtown Master Plan.** It is our understanding that the Village does not currently own any of the key re/development sites in the downtown but wishes to facilitate re/development to enhance the downtown. It will be important to make sure there is a clear vision that the Village, property owners, existing downtown businesses and residents have all weighed in on and will support. The Village's 2008 Downtown Master Plan will therefore need to be updated. SB Friedman is able to either lead a planning team or work closely with a planning and design firm to conduct the required analyses, outreach and visioning to prepare and updated Downtown Master Plan that responds to the current market and is strategic and actionable.

## Our Experience

SB Friedman has provided analytical, strategic and financial consulting services in support of complex, high-impact development projects since our founding in 1990. Our mission is to guide and enable our clients to create high-quality places through the practice of real estate economics, development finance and urban planning. Our extensive regional and national experience in working on projects through the entire predevelopment process allows us to provide objective advice on real estate markets, the capital stack, economic feasibility, developer solicitation, public-private partnerships, and deal structuring. Our firm's senior leadership are thought leaders in the field and have assisted in advancing the practice of real estate consulting and public-private partnerships through numerous publications and speaking engagements, as well as their work as consultants. Selected publications authored or edited by SB Friedman team members are highlighted below.

- "Successful Public-Private Partnerships: From Principles to Practice," Urban Land Institute - Edited, and partially authored by firm president Stephen B. Friedman
- "The Nexus Between Land Use and Fiscal Balance," American Planning Association (APA) Zoning Practice - Authored by Senior Vice Presidents Ranadip Bose and Fran Lefor Rood
- "(Re-) Development Strategy: The Bridge from Goals to Implementation," ILCMA Newsletter - Authored by Stephen Friedman and Senior Vice Presidents Geoff Dickinson and Fran Lefor Rood
- "Constructing Effective Public-Private Partnerships," APA Planning Advisory Service Memo - Authored by Geoff Dickinson & Vice President Lance Dorn
- "Advanced Tax Increment Finance Reference Guide," Council of Development Finance Agencies - Authored by Executive Vice President Tony Q. Smith; "Market Analysis" section authored by Ranadip Bose
- "Developer Solicitation for Publicly Owned Land," Public Management - Authored by Stephen B. Friedman

Selected examples of similar engagements are provided below:

- **Former Motorola Campus, Schaumburg.** SB Friedman has provided a range of services over the past several years to facilitate redevelopment of the former Motorola Campus- a 200-acre site, including market analysis, creation of a visionary and implementable plan, and underwriting and deal structuring. We have also assisted the Village in developing a strategy for disposition of adjacent Village-owned land and conducting an RFQ/P process.
- **Downtown Midland, Michigan.** We assisted in preparing and implementing a strategic plan for downtown revitalization and investment, including: identifying a market-supportable private development program;

analyzing the market and financial feasibility of specific development projects; identifying potential funding sources for public and private development; developing a disposition process for 15 acres of development-ready land; and preparing marketing materials and conducting outreach to developers.

- **Former Lake County Fairgrounds, Grayslake.** SB Friedman completed a market and financial feasibility analysis of the 106-acre former Fairgrounds site, which had been privately owned and vacant for about a decade. We evaluated the amount of retail development that could be feasible given current market conditions, and evaluated potential developer returns and anticipated need for public assistance for the Village of Grayslake's preferred development program to help the village facilitate development on the site.
- **Former Corporate Headquarters, Second Tier Midwestern City.** SB Friedman provided market and financial analysis for redevelopment of a former headquarters in a midwestern city downtown. We then prepared a development prospectus and solicited developers for the site, ultimately assisting in negotiating a term sheet with a major national developer. The project is currently underway.

Additional project examples are available at <https://sbfriedman.com/projects> and we would be happy to provide the Village with more detailed qualifications if desired.

## Next Steps

SB Friedman often provides clients with multi-phase contracts, under which particular scope steps are completed prior to the client authorizing new phases of work. We will work with the Village to identify a scope of services for the first phase of work and prepare a budget estimate for that scope.

We look forward to assisting the Village of Long Grove. Please do not hesitate to reach out with any questions or to discuss next steps.

Sincerely,



Stephen B. Friedman, FAICP, CRE  
President  
312.424.4260 | [sbf@sbfriedman.com](mailto:sbf@sbfriedman.com)



Fran Lefor Rood, AICP  
Senior Vice President  
312.424.4253 | [frood@sbfriedman.com](mailto:frood@sbfriedman.com)