

# The Art of the Deal

## Negotiating the Win-Win Redevelopment Agreement

**Illinois Tax Increment Association Fall Meeting**

*Thursday, September 28, 2006*



## Speakers

- Stephen B. Friedman, President,  
*S. B. Friedman & Company*
- Richard F. Klawiter, Partner, *DLA Piper*
- Phil McKenna, President,  
*Kane, McKenna and Associates*
- Wally Douthwaite, Village Manager,  
Wheeling, IL



## Setting the Stage

- Clarify Public Policy
- Coordinate Approval Process
- Preliminary Meeting for Project
- Project Review/Gap Analysis
- Deal Structuring
- Creating a Term Sheet
- Redevelopment Agreement



## Who Does What to Whom, When?

- Site Control
- Public vs. Private Realm – Responsibilities Involving Infrastructure
- Delivery of Land
- Condition of Land
- Completion of Plans and Approval
- Perfection of Financing
- Phasing
- Phased Take-down
- Site Preparation



## The Rules of the Game (collateral objectives and approvals)

- MBE/WBE
- Local Hiring
- Affordable Housing
- Prevailing Wages
- Sales Tax vs. Property Tax
- Define What is On and Off the Table
- Approval Process – When Other Boards and Commissions Get Involved



## Show Me the Money!

- Relationship of TIF to Conventional Financing
- Developer Note, Pay-As-You-Go, or Bonds?
- Impact on Other Municipal Financing
- When Do You Get the Money?
- Monetizing TIF Options



## How Does a Municipality Protect Itself?

- Plan Documents/Planned Development Approval
- Default Provisions
- Right to Cure
- Go-dark Provisions
- Claw-backs
- Prove-ups and Adjustments
- Shared Savings
- Profit Sharing
- Who Monitors Performance/Flow of Funds?
- How Often Do You Review Actual vs. Objectives?



## So, Can You Really Do a Win-Win Deal?



## Contact Info

Stephen B. Friedman, President

*S. B. Friedman & Co.*

221 N. LaSalle St., Ste. 820

Chicago, IL 60601-1302

312-424-4260

[SBF@FriedmanCo.com](mailto:SBF@FriedmanCo.com)

[www.FriedmanCo.com](http://www.FriedmanCo.com)

Richard F. Klawiter, Partner

*DLA Piper*

203 N. LaSalle St., Ste. 1900

Chicago, IL 60601-1293

312-368-7243

[Richard.Klawiter@DLAPiper.com](mailto:Richard.Klawiter@DLAPiper.com)

[www.DLAPiper.com](http://www.DLAPiper.com)

Phil McKenna, President

*Kane, McKenna and Associates*

150 N. Wacker Dr., Ste. 1600

Chicago, IL 60606-1607

312-444-1702

[PMcKenna@KaneMcKenna.com](mailto:PMcKenna@KaneMcKenna.com)

[www.KaneMcKenna.com](http://www.KaneMcKenna.com)

Wally Douthwaite, Village Manager

Village of Wheeling, IL

255 W. Dundee Rd.

Wheeling, IL 60090

847-459-2617

[WDouthwaite@vi.Wheeling.il.us](mailto:WDouthwaite@vi.Wheeling.il.us)

[vi.Wheeling.il.us](http://vi.Wheeling.il.us)

