

TIF Process – “But-For” Analysis and Developer Review

This Scope Appendix is attached by reference to the above named engagement letter (the “Engagement Letter”) between Baker Tilly US, LLP and the City of West Allis, WI (the “Client”) and relates to services to be provided by Baker Tilly US, LLP

Scope of Work

Baker Tilly Municipal Advisors (“BTMA”) will perform the following services:

Project Analysis:

BTMA will prepare a limited need for assistance analysis including completing the following steps:

- Review and provide feedback on the reasonableness of developer assumptions.
- Complete a rate of return calculation:
 - Identify IRR with and without assistance on a levered and unlevered basis
 - Complete sensitivity analysis with respect to developer return and need for assistance
 - Compare developer rate of return to the “market” return for similar projects, comment on reasonableness of return considering type of project, current market and developer at risk equity
- Evaluate rationale for financing gap
- Sensitivity analysis on financing gaps
- Review and provide feedback on recommendations and deal terms
- Prepare or review TID projections
- Complete and convey a draft summary memorandum to Client’s staff for review and comment
- Hold a conference call meeting with Client’s staff to discuss findings
- Finalize and convey to Client staff a final summary memorandum

Developer Review

1. Overview of Company background and experience
 - a. Experience with similar projects
 - b. Industry experience
2. Project finance: Assess company’s ability to finance the project
 - a. Evaluate sources and status of debt, equity, and other sources of funds
 - b. Bank/Investors commitments
 - c. Financial statement review

Fee

Baker Tilly will complete the scope of service on an as-needed basis when authorized by the City. The work will be billed on an hourly basis in an amount not to exceed **\$25,000**.

Title	2023 Hourly Rate
Principal and Director	\$295 to \$525
Manager and Senior Staff	\$220 to \$340
Staff	\$110 to \$250

If this Scope Appendix is acceptable, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Signature Section:

The services and terms as set forth in this Scope Appendix are agreed to on behalf of the Client by:

Name: _____

Title: _____

Date: _____