

May 31, 2022

Mr. Scott Shumard, City Manager
City of Sterling
212 Third Avenue
Sterling, Illinois 61081
Email: sshumard@sterling-il.gov

RE: Requisite Budget – MDA deliverable

Dear Scott:

Enclosed please find the requisite budget, as required by Article 9 of the Agreement Section within the Riverfront Master Development Agreement (MDA) between The City of Sterling (City) and Gorman & Company, LLC (Gorman).

In addition to the budget, I present the following short narrative of actions taken on behalf of the City and Gorman since MDA execution, to align support and resources for the project.

- 1) Site visit – the Gorman team, including members of Studio GWA and Fehr Graham toured the Lawrence and Stanley properties to identify any additional components necessary for budget inclusion, any changes in building and property conditions, and to consider priorities for advancement.
- 2) Engaged with and requested support (phone and written – see attached) from IL State Senator Neil Anderson to add the City to SB3488, amending the Rivers Edge Tax Credit legislation to add the City of Sterling as a Rivers Edge community. To date the legislation has yet to move, but we will continue to push for the inclusion of the City as inclusion moves the City from competing for state historic credits to receiving them as a “by right” community.
- 3) Engaged with and requested an earmark (phone and written – see attached) from Senator Dick Durbin’s office to bring \$930,000 in preparatory funding, under a jobs creation and economic development effort, to kick start the project.
- 4) Engaged with and requested support letters from the Sauk Valley Area Chamber of Commerce for items #3 and #4 above. Also, in discussions with the Chamber on a joint community kick off and planning event to bring attention to the project Master Planning.
- 5) Engaged with and requested quotes from several third-party engineers and consultants to build the enclosed budget, and to begin the foundation of a master plan.

60-Day requisite budget:

Environmental – review LBP and Asbestos containing material inspection, PCBs, plating chemical impacts, Mercury and universal waste assessments. (NOTE: Each construction phase will require an additional phase 1/phase 2 report as a result of these tests and existing conditions. Choosing to wait on performing these until a later date, phase by phase.)

\$50,200.

Master Planning – short and long-term community engagement efforts to build off and help prioritize past efforts, Includes facilitation of key stake holders and the community to build advocates and “owners” of the project. Historic coordination with the Historic Consultant.

\$54,125.

Building Scanning:

Lawrence

\$18,000.

Stanley

\$38,000.

Historic Consultant - Prepare and submit an individual National Register Nomination for each property (Lawrence and Stanley) to the State Historic Preservation Office and National Park Service. Prepare and submit a Historic Preservation Certification Applications Part 1, 2, and 3 including the coordination of SHPO/NPS meetings and requirements. Take the lead role in coordinating the historic aspects of the Project including design review at the local, state and federal levels with the Client and other project personnel. Meet with appropriate state and federal agencies as needed to secure necessary approvals to secure federal tax incentives for the rehabilitation.

\$98,000.

Engineering – Ground Penetrating Radar Services to test Lawrence floor/substructure. Limited sampling.
\$1,700.

Appraisal Services – Provide an appraisal for each site inclusive of each entire site. (NOTE: Each construction phase will require an additional appraisal report for each phase. The reason for performing this larger survey is to determine building value and/or contribution or sales values for modeling each phase development budgets.

\$18,000.

PCNA – Physical and Conditions Needs Assessment. While it is assumable that all building systems and infrastructure will need to be replaced, financing sources require a PCNA to show how costs were estimated.

\$13,000.

Renderings – as needed for public events

\$8,500.

Total – Predevelopment Budget to accomplish Master Planning

\$299,525.

All other costs will be provided on a phase-by-phase basis and with the Master Plan and/or subsequent phase budgets. Portions of the above costs will also be attributed to each project phase on a pro-rata basis so long as they fall within predevelopment timeline/window requirements.