

RE: Project Evaluation and Feasibility Analysis

DATE: August 5, 2025

This Scope Appendix is attached by reference to the above-named engagement letter (the Engagement Letter) between the Munster Redevelopment Commission, Indiana (the Client) and Baker Tilly Advisory Group, LP (Baker Tilly) and relates to services to be provided by Baker Tilly Municipal Advisors, LLC (BTMA).

SCOPE OF WORK

BTMA agrees to furnish and perform the following services.

A. Project Evaluation and Feasibility

1. In connection with a proposed economic development project or prospect (the Project), discuss with Client (or Client representative) the proposed Project; potential incentives and/or related infrastructure needs; the use of tax increment financing (TIF), tax abatement and other sources of revenue and funding; preliminary financing options and feasibility analyses; timing and investment information needed for analysis; other issues and considerations.
2. Prepare an estimate of real and depreciable personal property assessed value for the proposed development based on investment information provided by the company, the developer or its representatives. Prepare schedules of real and depreciable personal property tax abatement reductions, if applicable.
3. Prepare a preliminary tax increment feasibility analysis to estimate the incremental property tax revenues that might be created by the Project and provide an estimate of the amount of bonds such revenues might support and potential incentive value. Discuss bond options and security needed to market bonds if applicable.
4. Review developer-prepared tax increment projections and bonding capacity analysis, and provide written feedback to the Client, if applicable.
5. Prepare financing feasibility analysis based upon a proposed split of tax increment between a developer and the Client, if applicable.
6. Prepare a preliminary analysis utilizing both new and existing tax increment considering any outstanding obligations payable from the existing TIF, and additional or leveraged funding such as grants, developer contributions or concessions and other sources of funds, and provide additional incentive options. Research new sources of potential revenue, if applicable.
7. Discuss preliminary financing feasibility with Client and company representatives and advisors. Attend meetings and participate in conference calls as requested.
8. If requested by the Client, prepare additional financing feasibility analyses and options as discussions and negotiations evolve.

BTAG agrees to furnish and perform the following services.

B. Economic Analysis

1. Baker Tilly employs a mixed-methods approach in applied economic analysis that leverages our experience in development advisory, real estate deal structuring and underwriting, municipal finance, and industry cluster analysis. Our analysis methodologies are designed to deliver market insights that assist clients in understanding the economic impacts of their assets' performance. By developing a holistic perspective across our diverse specialties, we are able to analyze the direct, indirect, and induced impacts of projects across multiple geographies.

2. The economic potential and alternatives analysis of the project's development scenarios will be further supported with Baker Tilly's extensive access to public and proprietary datasets. Our integrated data ecosystem allows our team to access key details about industry cluster performance, real estate markets, and commercial business activity across communities to understand local economic drivers and the potential for future investment. Our data sources help build a comprehensive perspective about market dynamics related to trends in labor, land, and capital in a given market, with sources including: ESRI Business Analyst, PolicyMap, Placer.ai, CoStar, GreenStreet, IBISWorld, Lightcast, and IMPLAN.

Project Objective:

- > To work across Baker Tilly's multi-disciplinary team to evaluate the project's development scenarios with market-driven insights to understand the economic benefits of given alternatives – including job creation, economic productivity, and tax revenues – and the dynamics of local residential and commercial real estate markets to contextualize potential impacts.

Task 1: Economic Benefit Analysis of Development Scenarios

Our economic benefit analysis balances qualitative and quantitative considerations to model project impacts to relevant municipal jurisdictions and assess the alignment of community priorities with the modeling results. Our methods will forecast the various tax revenues that will be generated, localized spending, and potential jobs that will be created, utilizing data-driven best practices and impact modeling in IMPLAN and Lightcast.

- a) Conduct cost segmentation of the project's pro forma to appropriately allocate the project's capital expenditures into IMPLAN's cost specifications based on the project's delivery schedule.
- b) Build time series analysis of the project's delivery schedule to quantify impacts in inflation-adjusted dollars to appropriately account for changes in the time value of construction costs versus operational impacts.
- c) Build geography exclusion into the economic event modeling to appropriately account for inter-regional business activity and leakages through multi-regional input-output (MRIO) analysis.
- d) Analyze the impacts of ongoing business operations after project delivery with Lightcast modeling to assess the gross revenue spending and job creation of tenants.

Proposed budget for Task 1: \$10,000

Task 2: Market Verification of Development Scenarios & Delivery Schedule

To frame project impacts within the appropriate economic context, we will develop a market perspective that assesses conditions within the project's micro-market, surrounding submarkets, and metro environment. Our team will verify and provide additional context into neighborhood, citywide, and regional factors that will influence and/or enhance the development scenarios, including macro-level trends in community growth factors related to residential markets, commercial business activity, and industry clusters.

- a) Analyze residential, visitor, and worker socio-economic profiles to map migration trends, daily commute patterns, and spending potential.
- b) Identify and map core real estate types in the delivery pipeline of the relevant surrounding micro- and submarkets to understand potential new unit volumes and product quality that will enter the market during the project's delivery schedule.
- c) If necessary, conduct a retail gap analysis and Experian Mosaic customer segmentation to assess potential tenanting strategies for mixed-use development scenarios.

Proposed budget for Task 2: \$15,000

Final Deliverable of Analysis Results

- > **Comprehensive Report:** A comprehensive report that summarizes the analysis findings in an Executive Summary and includes additional sections that detail construction impacts, operational impacts, relevant market context, and the analysis methodologies used. The comprehensive report can be used as a strong reference and visual aid to discuss the project with stakeholders.

Proposed budget for all services within Task 1, Task 2, and production of the final deliverable: \$25,000

COMPENSATION AND INVOICING

Fees for services set forth in the Scope Appendix will be billed at standard billing rates based upon the actual time and expenses incurred and will not exceed Twenty-Five Thousand Dollars (\$25,000) each for Scope Items A and B without further authorization from the Client.

Standard Hourly Rates by Job Classification
9/1/2024

Title	Hourly Rate
Principals / Directors	\$420 - \$660
Managers / Senior Managers	\$290 - \$440
Consultants / Analysts / Senior Consultants	\$185 - \$300
Support / Paraprofessionals / Interns	\$115 - \$195

**Billing rates are subject to change periodically due to changing requirements and economic conditions. The Client will be notified of any change to fees. If Client does not dispute such change in fees within thirty (30) days of receiving the notification, Client will be deemed to have accepted such change. The fees billed will be the fees in place at the time services are provided. Actual fees will be based upon experience of the staff assigned and the complexity of the engagement.*

The above fees shall include all expenses incurred except for direct, project-related expenses such as travel costs.

BILLING PROCEDURES

Normally, you will receive a monthly statement showing fees and costs incurred in the prior month.

Occasionally, we may bill on a less frequent basis if the time involved in the prior month was minimal or if other arrangements are made. The account balance is due and payable on receipt of the statement.

Nonattest Services

As part of this engagement, we will perform certain nonattest services. For purposes of the Engagement Letter and this Scope Appendix, nonattest services include services that the *Government Auditing Standards* refers to as nonaudit services.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

**SCOPE APPENDIX to
Engagement Letter dated: May 27, 2025
Between the Munster Redevelopment Commission, Indiana and
Baker Tilly Advisory Group, LP**

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.
- > Designate an employee with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.
- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

Conflicts of Interest

Attachment A to the Engagement Letter contains important disclosure information that is applicable to this Scope Appendix.

We are unaware of any additional conflicts of interest related to this Scope Appendix that exist at this time.

Termination

This Scope Appendix will terminate according to the terms of the Engagement Letter.

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,

BAKER TILLY ADVISORY GROUP, LP



Jolena Presti, Managing Director



Matthew R. Eckerle, Principal

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: _____