

**Memorandum  
Department**

**To:** Randall Tweet, City Manager  
**Subject:** YWCA TIF Agreement Proposal  
**Date:** May 18, 2020



The YWCA of the Quad Cities has purchased the former Zimmerman Building at 1704 5<sup>th</sup> Avenue, Rock Island. They plan to demolish the building in order to construct their planned facility. The YWCA of the Quad Cities has requested assistance from the City of Rock Island.

City Staff has been in conversation with the YWCA of the Quad Cities in regard to the project. It is estimated that the demolition of the building will be approximately \$58,000. City Staff proposes an incentive agreement not to exceed \$20,000.

These funds will come from the Downtown TIF and the incentive amount will be paid once the YWCA submits documentation supporting the request.

<b>ACCOUNT CODES:</b>	Fund	201	TIF
	Department	312	Economic Development
	Cost Center	801	General Development
	Object Code	54101	Contributions
	Project Code		

**VENDOR NUMBER:** We do not yet have a vendor number set up for this project.

**REQUISITION NUMBER:** There is not yet a requisition number for this project.

**RECOMMENDATION:**

That Council approves the attached development agreement subject to minor attorney modifications; authorize execution of the development agreement by the City Manager; and consider, suspend the rules, and pass the attached ordinance.

**Submitted by:** Tarah Sipes, Economic Development Manager

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**Approved by:** Randall Tweet, City Manager

**THIS REDEVELOPMENT AGREEMENT**

*by and between*

**THE CITY OF ROCK ISLAND, ROCK ISLAND COUNTY, ILLINOIS**

*and*

**YWCA OF THE QUAD CITIES**

**THIS REDEVELOPMENT AGREEMENT** (the “*Agreement*”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between the City of Rock Island, Rock Island County, Illinois, an Illinois home rule municipal corporation (the “*City*”) and YWCA of the Quad Cities, an Illinois Not-for-Profit corporation (the “*Developer*”).

**PREAMBLES:**

**WHEREAS**, the City is a home unit of local government organized under the laws of the State of Illinois and as such has authority to promote the health, safety and welfare of its citizens; authority to encourage private investment in business and commercial areas in order to enhance the tax base of the City and other affected taxing districts; provide employment opportunities; and, ameliorate blight; and,

**WHEREAS**, the City has identified certain areas within its municipal boundaries where there is a need for economic assistance in order to address the extraordinary measures which must be undertaken to accomplish private investment and make the redevelopment of such areas economically viable; and,

**WHEREAS**, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, *et seq.*, as from time to time amended (the “*TIF Act*”), the Mayor and City Council (collectively, the “*Corporate Authorities*”) are empowered to undertake the redevelopment of such areas within its municipal limits in which existing conditions permit such

area to be classified as a “conservation area” or a “blighted area” as such terms are defined in the TIF Act; and,

**WHEREAS**, pursuant to its powers and in accordance with the requirements of the TIF Act, the Corporate Authorities, on February 11, 1985, pursuant to Ordinance Nos. 84-77, 84-78 and 84-79, as from time to time amended, approved a redevelopment plan and project (the “*Redevelopment Plan*”), which set forth a plan for the development, redevelopment and revitalization of an area; designated a redevelopment project area known as the Downtown Rock Island Redevelopment Project Area (the “*Redevelopment Project Area*”); and, adopted tax increment allocation financing for the Redevelopment Project Area; and,

**WHEREAS**, pursuant to Ordinance No. 008-2008, passed by the Corporate Authorities on February 11, 2008, the designation of the Redevelopment Project Area was extended to December 31, 2020, after Public Act 91-0763 was enacted by the Illinois General Assembly and signed into law by the Governor; and,

**WHEREAS**, the Developer operates a child care center, a fitness and wellness clinic, and, educational and support services at 229 16<sup>th</sup> Street, Rock Island, Illinois (the “*Subject Property*”) and has submitted a request to the City for financial assistance to remove certain environmental hazards at the Subject Property with an estimated budget of approximately \$58,500 (the “*Project*”); and,

**WHEREAS**, the City is authorized under the TIF Act to incur Redevelopment Project Costs and to make and enter into all contracts necessary or incidental to the implementation and furtherance of the Redevelopment Plan; and,

**WHEREAS**, the Corporate Authorities have determined that it is in the best interest of the City to reimburse the Developer for certain Redevelopment Project Costs because the completion

of this Project will be in furtherance of the Redevelopment Plan, thereby improving the Subject Property; providing job opportunities for its citizens; and, permitting the Developer to continue to provide valuable services to the community.

**NOW, THEREFORE**, the parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

***Section 1. Incorporation of Recitals.***

The parties agree that all of the recitals contained in the Preambles to the Agreement are true and correct and are hereby incorporated into this Agreement as though they were fully set forth in this Section.

***Section 2. Project; Continuing Operation.***

The Developer covenants and agrees to construct and complete the Project on or before September 30, 2020, in accordance with all applicable laws and ordinances of the City and of the State of Illinois and, at all times throughout the term of this Agreement, comply with all applicable laws and ordinances of the City and the State of Illinois.

***Section 3. Developer Payments.***

In consideration for the construction of the Project by the Developer, the City shall reimburse the Developer for Redevelopment Project Costs incurred by the Developer in respect to the Project as set forth in *Exhibit A* (the “*Eligible Redevelopment Project Costs Schedule*”) in an amount equal to the lesser of (i) one-third (1/3) of the total costs incurred by the Developer; or, (ii) \$20,000 subject to the provisions of Section 4, the limitations of the TIF Act, and this Agreement. For purposes of this Agreement, “Redevelopment Project Costs” shall mean and include all costs defined as “redevelopment project costs” in Section 11-74.4-3(q) of the TIF Act which are eligible for reimbursement under the TIF Act.

***Section 4. Procedures for and Application of Reimbursement to the Developer.***

(a) The Developer shall advance all funds and all costs necessary to undertake matters eligible for reimbursement pursuant to this Agreement in connection with the foregoing.

(b) To establish a right of reimbursement for a specific Redevelopment Project Costs under this Agreement, the Developer shall submit to the City or its designee a written statement in the form attached to this Agreement as *Exhibit B* (a “*Request for Reimbursement*”) setting forth the specific Redevelopment Project Costs for which reimbursement is sought. The Request for Reimbursement shall be accompanied by such bills, contracts, invoices, lien waivers, or other evidence as the City or its designee shall reasonably require to evidence the right of the Developer to reimbursement under this Agreement. The City or its designee shall have twenty (20) days after receipt of any Request for Reimbursement from the Developer to recommend approval or disapproval of such Request and, if disapproved, to provide the Developer in writing and in detail with an explanation as to why it is not prepared to recommend such reimbursement. The only reasons for disapproval of any expenditure for which reimbursement is sought shall be that such expenditure is not an eligible Redevelopment Project Cost under the TIF Act, that it is not listed on *Exhibit A*, or that it was not incurred and completed by the Developer in accordance with all applicable City ordinances, permits and requirements and the provisions of this Agreement. The parties acknowledge that the determination of Redevelopment Project Costs and qualification for reimbursement under this Agreement are subject to the TIF Act, all amendments to the TIF Act both before and after the date of this Agreement, and administrative rules and judicial interpretations rendered during the term of this Agreement. The City has no obligation to the

Developer to attempt to modify said rules or decisions but will cooperate with the Developer in obtaining approval of Redevelopment Project Costs.

(c) Reimbursement in an amount equal to the lesser of 1/3 of the total costs of the Project; or, \$20,000 shall be made upon completion of the Project, in accordance with the terms of this Agreement and approval of the Request for Reimbursement.

***Section 5. Term.*** The term of this Agreement shall commence upon its execution and terminate on December 31, 2020.

***Section 6. No Liability of City to Others for Developer's Expenses.***

The City shall have no obligations to pay costs of the Project or to make any payments to any person other than the Developer, nor shall the City be obligated to pay any contractor, subcontractor, mechanic, or materialman providing services or materials to the Developer for the development of the Project.

***Section 7. Assignment.***

This Agreement may not be assigned by the Developer without the prior written consent of the City, which consent shall not be unreasonably withheld.

***Section 8. Developer Indemnification.***

The Developer shall indemnify and hold harmless the City, its agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs, and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise directly or indirectly from the failure of the Developer, or any contractor, subcontractor, agent, or employee thereof (so long as such contractor, subcontractor, agent, or employee thereof is hired by the Developer) to timely pay any contractor, subcontractor, laborer, or materialman; from any default or breach of the terms of this Agreement by the Developer; or

from any negligence or reckless or willful misconduct of the Developer or any contractor, subcontractor, agent, or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by the Developer). The Developer shall, at its own cost and expense, appear, defend, and pay all charges of attorneys, costs, and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against the City, its agents, officers, officials, or employees in any such action, the Developer shall have no obligation whatsoever, with respect to any acts of negligence or reckless or willful misconduct on the part of the City or any of its officers, agents, employees, or contractors.

***Section 9. Waiver.***

Any party to this Agreement may elect to waive any remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless the party waiving such right or remedy does so in writing. No such waiver shall obligate such party to waive any right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided said party pursuant to this Agreement.

***Section 10. Severability.***

If any section, subsection, term, or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term, or provision of this Agreement, or the application of same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

***Section 11. Notices.***

All notices, demands, requests, consents, approvals, or other instruments required or permitted by this Agreement shall be in writing and shall be executed by the party, or an officer,

agent, or attorney of the party, and shall be deemed to have been effective as of the date of actual delivery, if delivered personally, or as of the third (3<sup>rd</sup>) day from and including the date of posting, if mailed by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows:

***To the Developer*** : YWCA of the Quad Cities  
229 16<sup>th</sup> Street  
Rock Island, Illinois 61201  
Attn:

*With a copy to :*

***To the City*** : City of Rock Island  
1528 3<sup>rd</sup> Avenue  
Rock Island, Illinois 61201  
Attn: City Manager

*With a copy to :* Kathleen Field Orr  
2024 Hickory Road  
Suite 205  
Homewood, Illinois 60430

***Section 12. Successors in Interest.***

This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns.

***Section 13. No Joint Venture, Agency, or Partnership Created.***

Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.



***Section 14. No Discrimination – Construction.***

The Developer, or its successors or assigns, agrees that with respect to the development of the Project it shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Developer shall take affirmative action to require that applicants are employed and that employees are treated during employment, without regard to their race, creed, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion or transfer; recruitment or recruitment advertising and solicitations or advertisements for employees; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices, which may be provided by the City, setting forth the provisions of this nondiscrimination clause.

***Section 15. Remedies – Liability.***

(a) If, in the City's judgment, the Developer is in material default of this Agreement, the City shall provide the Developer with a written statement indicating any failure on the Developer's part to fulfill its obligations under this Agreement. Except as required to protect against further damages, the City may not exercise any remedies against the Developer in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Developer diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the City in asserting any of its rights or remedies

as to any default or alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

(b) If the Developer materially fails to fulfill its obligations under this Agreement after notice is given by the City and any cure periods described in paragraph (a) above have expired, the City may exercise any right or remedy it may have at law or in equity, including the right to specifically enforce the terms and conditions of this Agreement to be repaid in the amount paid to the Developer pursuant to this Agreement.

(c) If, in the Developer's judgment, the City is in material default of this Agreement, the Developer shall provide the City with a written statement indicating in adequate detail any failure on the City's part to fulfill its obligations under this Agreement. The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the City diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. Any failure or delay by the Developer in asserting any of its rights or remedies as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach of any rights or remedies it may have as a result of such default or breach.

(d) In addition to any other rights or remedies, a party may institute legal action against the other party to cure, correct, or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to, the equitable remedy of an action for specific performance; provided, however, no recourse for any claim under or upon any obligation contained in this Agreement shall be had against the City, its

officers, agents, attorneys, representatives, or employees, in any amount or in excess of any specific sum agreed to be paid by the City pursuant to this Agreement; and no liability, right, or claim at law or in equity shall be attached to or incurred by the City, its officers, agents, attorneys, representatives, or employees in any amount in excess of any specific sums agreed by the City to be paid hereunder, and any such claim is hereby expressly waived and released as a condition of and as consideration for the execution of this Agreement by the City.

(e) The rights and remedies of the parties are cumulative and the exercise by a party of one or more such rights or remedies shall not preclude the exercise, at the same time or different times, of any other rights or remedies for the same default or for any other default by the other party.

***Section 16. Amendment.***

This Agreement, and any exhibits attached to this Agreement, may be amended only in a writing signed by all parties with the adoption of any ordinance or resolution of the City approving the amendment, as provided by law, and by execution of the amendment by the parties or their successors in interest. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations, and discussions relative to the Project.

***Section 17. Counterparts.***

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE TO FOLLOW]

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at Rock Island, Illinois.

City of Rock Island, an Illinois municipal corporation

By: \_\_\_\_\_  
Mayor

*Attest:*

\_\_\_\_\_  
City Clerk

YWCA of the Quad Cities, an Illinois not-for-profit corporation

By: \_\_\_\_\_  
President

*Attest:*

\_\_\_\_\_

*Exhibit A*

*Eligible Redevelopment Project Costs Schedule*

Geotechnical assessment	\$ 8,000.00
Excavation and removal of cylinders	\$ 3,000.00
Phase I Environmental Study	\$ 2,500.00
Phase II Environmental Study	\$ 15,000.00
Concrete Removal	\$ 10,000.00
Removal and replacement of contaminated soil	\$ 5,000.00
Construction oversight for removal and remediation of hydraulic cylinders	<u>\$15,000.00</u>
	\$58,500.00

*Exhibit B*  
*Request for Reimbursement*

City of Rock Island  
1528 Third Avenue  
Rock Island, Illinois 61201  
Attn: City Manager

**Re:   Redevelopment Agreement, dated \_\_\_\_\_, 2018 (the “Agreement”), by and between the City of Rock Island, Rock Island, County, an Illinois municipal corporation and YWCA of the Quad Cities, an Illinois Not-for-Profit corporation (the “Developer”)**

Dear Sir:

You are requested to disburse funds pursuant to the Redevelopment Agreement described above in the amount(s) and for the purpose(s) set forth in this Request for Reimbursement. The terms used in this Request for Reimbursement shall have the meanings given to those terms in the Redevelopment Agreement.

1.     Amount to be Disbursed: \$ \_\_\_\_\_, for expenses qualifying as Redevelopment Project Costs as defined in the Agreement.
2.     The amount requested to be disbursed pursuant to this Request for Reimbursement will be used to reimburse the Developer for those Redevelopment Project Costs detailed in Schedule I attached to this Request for Reimbursement with paid invoices, bills of sale and mechanic lien waivers.
3.     The undersigned certifies that:
  - (i)    the amounts included in 1 above were made or incurred or financed and were necessary for the Project (as defined in the Agreement) and were made or incurred in accordance with the construction contracts, plans and specifications heretofore in effect;
  - (ii)   the amounts paid or to be paid, as set forth in this Request for Reimbursement, represents the funds due and payable for Redevelopment Project Costs;
  - (iii)   the expenditures for which amounts are requisitioned represent eligible Redevelopment Project Costs.
  - (iv)   the total amount requisitioned does not exceed the lesser of (i) one-third (1/3) of the total costs of the Project; or (ii) \$20,000.
  - (v)    the Developer is not in default under the Redevelopment Agreement and nothing has occurred to the knowledge of the Developer that would prevent the performance of its obligations under the Redevelopment Agreement.

Date: \_\_\_\_\_

By: YWCA of the Quad Cities, an Illinois  
not-for-profit corporation

\_\_\_\_\_  
President

APPROVED:  
City of Rock Island, Rock Island, County, an Illinois  
municipal corporation

Date: \_\_\_\_\_

\_\_\_\_\_

Ordinance No. \_\_\_\_\_

**ORDINANCE APPROVING REDEVELOPMENT AGREEMENT**

*by and between*

**THE CITY OF ROCK ISLAND, ROCK ISLAND COUNTY, ILLINOIS**

*and*

**YWCA OF THE QUAD CITIES**

**WHEREAS**, the City of Rock Island, Rock Island, Illinois (the “*City*”) is a home unit of local government organized under the laws of the State of Illinois and as such has authority to promote the health, safety and welfare of its citizens; authority to encourage private investment in business and commercial areas in order to enhance the tax base of the City and other affected taxing districts; provide employment opportunities; and, ameliorate blight; and,

**WHEREAS**, the City has identified certain areas within its municipal boundaries where there is a need for economic assistance in order to address the extraordinary measures which must be undertaken to accomplish private investment and make the redevelopment of such areas economically viable; and,

**WHEREAS**, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, *et seq.*, as from time to time amended (the “*TIF Act*”), the Mayor and City Council (collectively, the “*Corporate Authorities*”) on February 11, 1985, pursuant to Ordinance Nos. 84-77, 84-78 and 84-79, as from time to time amended, approved a redevelopment plan and project (the “*Redevelopment Plan*”), which set forth a plan for the development, redevelopment and revitalization of an area; designated a redevelopment project area known as the Downtown Rock Island Redevelopment Project Area (the “*Redevelopment Project Area*”); and, adopted tax increment allocation financing for the Redevelopment Project Area; and,

**WHEREAS**, pursuant to Ordinance No. 008-2008, passed by the Corporate Authorities on February 11, 2008, the designation of the Redevelopment Project Area was extended to December 31, 2020, after Public Act 91-0763 was enacted by the Illinois General Assembly and signed into law by the Governor; and,

**WHEREAS**, the Developer operates a child care center, a fitness and wellness clinic, and, educational and support services at 229 16<sup>th</sup> Street, Rock Island, Illinois (the “*Subject Property*”) and has submitted a request to the City for financial assistance to remove certain environmental hazards at the Subject Property with an estimated budget of approximately \$58,500 (the “*Project*”); and,

**WHEREAS**, the Corporate Authorities have determined that it is in the best interest of the City to reimburse the Developer pursuant to the Redevelopment Agreement attached hereto for certain Redevelopment Project Costs because the completion of this Project will be in furtherance of the Redevelopment Plan and permit the Developer to continue to provide valuable services to the community.

**NOW, THEREFORE**, the parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

*Section 1.* That the Redevelopment Agreement by and between the City of Rock Island, Rock Island County, Illinois and YWCA of the Quad Cities, an Illinois not-for-profit corporation, attached hereto and made a part hereof, is hereby approved and the Mayor, City Manager and City Clerk are hereby authorized to execute and deliver said Agreement and undertake any and all actions as may be required to implement its terms.



**PASSED** this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**APPROVED:**

\_\_\_\_\_  
Mike Thoms, Mayor

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

*Attest:*

\_\_\_\_\_  
City Clerk