

## Memorandum

### Community and Economic Development Department

**To:** Randall Tweet, City Manager

**Subject:** Solomon Townhomes TIF Incentives Resolution

**Date:** January 11, 2021



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Gorman and Company, LLC of Oregon, Wisconsin has been working on the development of a 49 unit housing development on the City-owned parcels known as the Solomon site.

The total estimated project cost is \$16,679,536.00. Gorman and Company has requested TIF assistance in the amount of \$846,501. The TIF assistance will be utilized to address project overages due to the necessity of additional site work and environmental remediation. Staff recommends that funds from the TIF be used to meet the entire request due to the fact that the property is currently City-owned, the work will need to be completed before any development could move forward using state or federal funds, and the benefit to the community from this project will be sufficient to justify the investment.

The attached resolution outlines the manner in which the TIF assistance will be granted.

### Recommendation:

The Community and Economic Development Department recommends that City Council pass the attached resolution.

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

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

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AUTHORIZING ALLOCATION OF TAX INCREMENT FINANCING  
SUPPORT FOR THE SOLOMON TOWNHOMES PROJECT**

**WHEREAS**, on July 24, 2000, pursuant to the Tax Increment Allocation Redevelopment Act, as supplemented and amended (the "Act"), the City of Rock Island, Rock Island County, Illinois (the "City"), by ordinance has heretofore approved a redevelopment plan and project (the "Original Redevelopment Plan and Project") for an has designated a redevelopment project area known as the North 11<sup>th</sup> Street Tax Increment Finance Redevelopment Project Area ("The Original Redevelopment Project Area") and has adopted tax increment allocation financing for the Original Redevelopment Project Area; and

**WHEREAS**, the Original Redevelopment Plan and Project sets forth a goal, "(t)o support the construction of new commercial or residential facilities which will strengthen the redevelopment area's position in the regional economy and will add new employment, tax base, and residents to the area" (page 7); and

**WHEREAS**, the Mayor and City Council of the City (the "Corporate authorities") have determined that it is in the best interests of the City to support such projects that achieve the goals of the Original Redevelopment Plan and Project.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council of the City of Rock Island, Rock Island County, Illinois, as follows:

Section 1. That the foregoing recital clauses to this Resolution are adopted as findings of the Corporate Authorities of the City and are incorporated herein by specific reference.

Section 2. The following amounts, itemized on Exhibit A attached hereto and made part hereof, shall be allocated from the special tax allocation fund for the "Original Redevelopment Project Area" and used for the Solomon Townhouses project.

Section 3. This Resolution shall be in full force and effect upon its passage and approval in accordance with law.

Section 4. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

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

Attest:

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

## **EXHIBIT “A”**

Gorman and Company, LLC has proposed a 49-unit housing project on city-owned property along 11<sup>th</sup> Street between 7<sup>th</sup> and 5<sup>th</sup> Avenues. The project is projected to cost \$16,679,536. A request for assistance has been received to help cover site preparation work and environmental assessment and remediation.

### **Proposed TIF Contributions to Solomon Townhomes Project:**

\$150,000 to be paid out from existing TIF funds upon closing on the property

\$150,000 to be paid out from existing TIF funds upon ground breaking

\$300,000 to be paid out from existing TIF funds upon issuance of Certificate of Occupancy

\$129,500 to be paid out from project increment in the form of a rebate (75% of increment over 5 years or \$129,501 whichever comes first)

An additional \$117,000 from CDBG funding upon completion of environmental remediation indicated by Phase 2 ESA as HUD requirements are met.