

**Memorandum
Community and Economic Development**



To: Randall Tweet, Interim City Manager
Subject: **Millennia Housing Development Projects**
Date: November 2, 2016

In furtherance of Council's direction at the October 17th, 2016 City Council meeting, CED staff worked with the City's TIF attorney to draft the following Resolutions and Contractual Agreements for the purposes of analyzing the potential of creating two (2) project specific TIF districts; one (1) for Heather Ridge Apartment Complex and one (1) for Century Woods Apartment Complex to assist Millennia Housing Development, LTD (Developer) in the purchase and redevelopment of said properties.

1. Resolution approving and authorizing the execution of an agreement by and between the City of Rock Island and Kane, McKenna and Associates (KMA) regarding potential tax increment financing districts.
2. Resolution expressing official intent regarding certain expenditures to be reimbursed from the special tax allocation fund for and/or from proceeds of an obligation issued, if any, in connection with a proposed tax increment financing district commonly described as the Century Woods redevelopment project area.
3. Resolution expressing official intent regarding certain expenditures to be reimbursed from the special tax allocation fund for and/or from proceeds of an obligation issued, if any, in connection with a proposed tax increment financing district commonly described as the Heather Ridge redevelopment project area.
4. Memorandum of agreement requiring Millennia Housing Development, LTD to pay for professional consulting services.

RECOMMENDATION:

CED Staff recommends that Council adopt the resolutions and approve the agreement subject to minor attorney modifications, and authorize execution by the Mayor and City Manager as required.

Submitted by: Bret Gardella, Economic Development Manager
Thomas G. Ayers, Interim CED Director

Approved by: Randall Tweet, Interim City Manager

RESOLUTION NO. _____

**A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION
OF AN AGREEMENT BY AND BETWEEN
THE CITY OF ROCK ISLAND AND KANE, McKENNA AND ASSOCIATES, INC.
REGARDING POTENTIAL TAX INCREMENT FINANCING DISTRICTS**

WHEREAS, the City of Rock Island (the "City") is considering the establishment of one or more tax increment financing districts within the City; and

WHEREAS, the City has previously utilized the consulting services of Kane, McKenna and Associates, Inc. ("KMA") and has a satisfactory relationship with KMA; and

WHEREAS, it is in the best interests of the City to enter into an agreement with KMA for the purpose of assisting the City with the establishment of tax increment financing districts generally described as the Heather Ridge Project and the Century Woods Project (the "Projects").

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

Section 1. It is hereby determined that the City has a satisfactory relationship with Kane, McKenna and Associates, Inc., and it is advisable, necessary, and in the public interest that the City enter into an agreement between the City and KMA for the furnishing of professional consulting services for the Projects.

Section 2. That the City Manager be and is hereby authorized and directed to execute and that certain agreement by and between the City of Rock Island and Kane, McKenna and Associates, Inc., in substantially the form attached hereto as Exhibit "A" and made a part hereof, with such changes therein as shall be authorized by the officials executing the same, their execution thereof to constitute conclusive evidence of such changes.

Section 3. This Resolution shall be in full force and effect from and after its passage in the manner provided by law.

ADOPTED this 7th day of November, 2016.

AYES: _____

NAYS: _____

ABSENT: _____

ABSTENTION: _____

APPROVED by me this 7th day of November 2016.

Dennis E. Pauley, Mayor of the City of
Rock Island, Rock Island County, Illinois

ATTESTED and filed in my office,
this 7th day of November, 2016.

Aleisha Patchin, City Clerk of the City of
Rock Island, Rock Island County, Illinois

EXHIBIT A
AGREEMENT



October 25, 2016

City of Rock Island, Illinois
c/o Mr. Bret Gardella
Economic Development Manager
City of Rock Island
1528 Third Avenue
Rock Island, Illinois 61201

RE: Letter of Agreement – Proposed Heather Ridge and Century Woods TIF Districts

Dear Mr. Gardella:

Kane, McKenna and Associates, Inc. (“KMA”) is prepared to assist the City of Rock Island (the “City”) regarding professional services associated with the review and analysis of two separate proposed redevelopment project areas (“RDAs”) within the City. The existing two multi-family properties targeted for the proposed RDAs are the Heather Ridge located within the City at 9500 14th Street West (the “Heather Ridge Project”), and the Century Woods (the “Century Woods Project”) located within the City at 1400 5th Street. Both the Heather Ridge Project and the Century Woods Project (together, the “Projects”) have been proposed for major redevelopment improvements by Millennia Housing Development, Ltd. (Millennia). Millennia has represented to the City that it will not be able to undertake the Projects without assistance through Tax Increment Financing (“TIF”).

TASK 1 – PRELIMINARY TIF AND RELATED FISCAL IMPACT REVIEW

- (1) Assist the City in investigating the desirability and feasibility of utilizing Tax Increment Financing (“TIF”) or other appropriate economic development incentives for funding certain redevelopment costs related to redevelopment of each of the Projects.
- (2) As directed by the City, prepare preliminary estimates, for each of the Projects, of tax increment revenues and supportable public assistance.
- (3) Review the site characteristics of each the Projects in order to recommend the specific boundaries for each respective TIF districts or related economic development programs, and to assess the potential qualification factors (strengths and weaknesses) for each area under Illinois law.

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- (4) Prepare a Preliminary analysis, for each of the Projects, which assess the pros and cons of pursuing TIF and/or other forms of economic incentives for the respective Projects.

At a minimum, each of the Reports will include the following:

- a. Review area for land use and conditions and summarize results.
 - b. Establish preliminary project boundaries.
 - c. Determine area qualifications for a potential TIF District.
 - d. Prepare survey analysis and identify necessary documentation to back up any findings.
- (5) In the event that other local financing programs or economic development tools are complimentary to or alternatives to TIF, KMA would identify programs and a strategy for implementing them and any conditions for their use in connection with each of the Projects.
- (6) For presentation to the City, based on development parameters provided by the City, prepare the initial tax revenue projections and prepare related financing alternatives. Identify potentially eligible public improvements and other activities as well as potential public financing options.

Estimated costs for Task 1 for each proposed TIF District is \$10,000 to \$12,500.

TASK 2 - COMPLETE REDEVELOPMENT PLANS AND PROJECTS

Under City direction complete the redevelopment plan and project required by the TIF law for each proposed TIF District. Among other elements for each redevelopment plan prepared for the proposed TIF Districts, included will be:

- (1) A statement of redevelopment goals and objectives.
- (2) Examination of TIF qualification factors and presentation of rationale for basis under which the TIF District is to be justified under State law.
- (3) Include Housing Impact Study ("HIS"), if needed, pursuant to the requirements of the TIF Act (note: it is assumed that no HIS will be required for either TIF District, however needed cost will increase by \$2,500 to \$3,000 for each HIS report).

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- (4) A statement of eligible redevelopment activities the City may allow under the plan.
- (5) Presentation of estimated costs for the redevelopment projects contemplated for implementation under the plan.
- (6) A detailed discussion of impediments to the successful redevelopment of the project area and the measures the CITY could undertake to eliminate such barriers so to promote economic revitalization of the project area.
- (7) Assist the City by participating in required public hearings and housing impact public meetings, and Joint Review Board meetings, as well as helping to insure preparation and execution of proper notification as statutorily required for all hearings and meetings.
- (8) Assist the City in participating in hearings/meetings with all interested and affected parties, including property owners, and overlapping tax jurisdictions. KMA will help the City to follow the procedures for such gatherings as required by State law.
- (9) Work with the City's counsel to meet all the requirements of Illinois law so to insure proper establishment of each TIF District.
- (10) Assist City's counsel in preparation of the appropriate Ordinances required for adoption of the respective redevelopment plans and projects by the City to legally put in place each TIF District.
- (11) Assist the City to establish and maintain complete documentation files to assure proper support of eligibility findings in order to support legal standing for establishment of each TIF District.

Estimated costs for Task 2 for each proposed TIF District is \$15,000 to \$17,500.

TASK 3 - REDEVELOPMENT PLAN AND PROJECT IMPLEMENTATION

KMA will assist the City as, and if requested, in the implementation of an economic development program to facilitate financing for projects undertaken within the TIF District. Services that will be provided include:

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- (1) Arrange and attend meetings with the City pertinent to the negotiation of any TIF redevelopment agreements or projects.
- (2) Provide assistance and information necessary for resolution of any redevelopment agreements related issues between the City and Millennia.
- (3) Work with the City (and Millennia) regarding the most feasible economic public financing strategies for any public improvements or other needs in the respective Projects. Work with the City regarding preparation of "But For" arguments related to potential TIF development proposals.
- (4) Assist the City (and Millennia) in drafting and/or redrafting any redevelopment agreements for presentation and negotiations and otherwise perform all duties necessary to facilitate any required agreements on behalf of the City.
- (5) Project anticipated incremental revenues to be generated from each of the potential development projects and judge whether such revenues are reasonable, feasible and are based on acceptable assumptions given each development project's characteristics and potential.
- (6) Provide the City (and Millennia) with recommendations regarding proposed revenue/cost projections and the potential funding advantages and disadvantages of various public financing strategies.

Estimated costs for Task 3 are subject to more detailed review and to be authorized by the City on a demand basis only. If needed, such costs will be billed on an hourly basis.

COMPENSATION FOR SERVICES

The City shall be billed monthly for services at the following rates per hour:

<u>Personnel</u>	<u>Hourly Rates</u>
President	\$200.00/Hour
Executive Vice President	\$175.00/Hour
Officers	\$150.00/Hour
Associates	\$100.00/Hour
Research	\$ 60.00/Hour
Administrative	\$ 25.00/Hour

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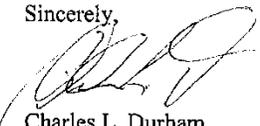
The estimates for the above tasks would not include: Certified and other mailing costs, legal description, and newspaper notice/publication costs – these amounts are to be paid by the City separately.

KMA shall be reimbursed for any expenses for travel outside the Chicago SMSA in connection with services rendered pursuant to this Agreement. It is understood and hereby agreed that KMA shall receive the City's approval prior to incurring any expense for such travel.

Invoices for KMA services shall be submitted and paid by the City and the City is expected to be reimbursed for such payments by Millennia pursuant to an agreement to be arranged prior to KMA proceeding with any such services.

KMA understands that time is of the essence for Millennia in initiating work toward the designation of the proposed TIF Districts; therefore the effective date of this Agreement shall be October 25, 2016 regardless of its actual date of execution. KMA understands also that in the event that the City elects not to approve this engagement then KMA is proceeding with any such work at its own risk, but will reserve the right to request that Millennia indemnifies it from such risk.

Please indicate City's acceptance of this Agreement by executing the original and copy, and by returning the original to us. We look forward to working with you on this project.

Sincerely,

Charles L. Durham
Senior Vice President

AGREED TO:



Charles L. Durham, Senior Vice President
Kane, McKenna and Associates, Inc.

10/25/2016
Date

City of Rock Island

Date

ADDENDUM

This Addendum is made this ____ day of November, 2016, by and between Kane, McKenna and Associates, Inc. (“KMA”) and the City of Rock Island, Illinois (the “City”) for professional services relating to assisting the City with matters pertaining to a tax increment financing for an area generally described as the Heather Ridge Project located generally at 9500 14th Street West, Rock Island, Illinois and a tax increment financing for an area generally described as the Century Woods Project generally located at 1400 5th Street, Rock Island, Illinois.

WHEREAS, the City desires to contract with KMA for professional services relating to the above-described services and proposes to enter into a Letter of Agreement (the “Agreement”) to be dated evenly therewith and desires to amend the Agreement by the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth in the Agreement and this Addendum, KMA and the City agree that the Agreement shall be amended and supplemented as follows:

1. The following terms and conditions shall be and are hereby added to the Agreement:

Certifications. KMA certifies that KMA, its shareholders holding more than five percent (5%) of the outstanding shares of KMA, its officers and directors:

- a. are not delinquent in the payment of taxes to the Illinois Department of Revenue in accordance with 65 ILCS 5/11-42.1-1;
- b. are not in default, as defined in 5 ILCS 385/2, on an educational loan, as defined in 5 ILCS 385/1;
- c. are in agreement that in the event of non-compliance with the provisions of this certification relating to equal employment opportunity, the Illinois Human Rights

Act or the Illinois Department of Human Rights, Rules and Regulations, KMA may be declared ineligible for future agreements with the City, and this Agreement may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation;

- d. are in compliance with equal employment opportunities and that during the performance of this Agreement:
- 1) That KMA will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, marital status, national origin or ancestry, citizenship status, age, physical or mental disability unrelated to ability, sexual orientation, military status or an unfavorable discharge from military service; and, further, that KMA will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any underutilization.
 - 2) That, if KMA hires additional employees in order to perform this Agreement or any portion of this Agreement, KMA will determine the availability (in accordance with the Department's Rules and Regulations) of minorities and women in the areas from which KMA may reasonably recruit and KMA will hire for each job classification for which employees are hired in a way that minorities and women are not underutilized.
 - 3) That, in all solicitations or advertisements for employees placed by KMA or on its behalf, KMA will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, sexual orientation, marital status, national origin or ancestry, citizenship status, age, physical or mental disability unrelated to ability, sexual orientation, military status or an unfavorable discharge from military service.
 - 4) That KMA will send to each labor organization or representative of workers with which KMA has or is bound by a collective bargaining or other agreement or understanding, a notice advising the labor organization or representative of KMA's obligations under the Act and the Department's Rules and Regulations. If any labor organization or representative fails or refuses to cooperate with KMA in its efforts to comply with the Act and Rules and Regulations, KMA will promptly notify the Department and the contracting agency and will recruit employees from other sources when necessary to fulfill its obligations under the Agreement.
 - 5) That KMA will submit reports as required by the Department's Rules and Regulations, furnish all relevant information as may from time to time be requested by the Department or the contracting agency, and in all respects comply with the Act and the Department's Rules and Regulations.

- 6) That KMA will permit access to all relevant books, records, accounts and work sites by personnel of the contracting agency and the Department for purposes of investigation to ascertain compliance with the Act and the Department's Rules and Regulations.
 - 7) That KMA will include verbatim or by reference the provisions of this clause in every subcontract awarded under which any portion of the Agreement obligations are undertaken or assumed, so that the provisions will be binding upon the subcontractor. In the same manner as with other provisions of this Agreement, KMA will be liable for compliance with applicable provisions of this clause by subcontractors; and further it will promptly notify the contracting agency and the Department in the event any subcontractor fails or refuses to comply with the provisions. In addition, KMA will not utilize any subcontractor declared by the Illinois Human Rights Commission to be ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations;
- e. are in compliance with 775 ILCS 5/2-105(A)(4) by having in place and enforcing a written sexual harassment policy;
 - f. are in compliance with 30 ILCS 580/1 *et seq.* (Drug Free Workplace Act) by providing a drug-free workplace by:
 - (1) Publishing a statement:
 - (a) Notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance, including cannabis, is prohibited in KMA's workplace.
 - (b) Specifying the actions that will be taken against employees for violations of such prohibition.
 - (c) Notifying the employee that, as a condition of employment on such Agreement, the employee will:
 - (i) abide by the terms of the statement; and
 - (ii) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
 - (2) Establishing a drug-free awareness program to inform employees about:
 - (a) the dangers of drug abuse in the workplace;
 - (b) KMA's policy of maintaining a drug-free workplace;

- (c) any available drug counseling, rehabilitation, and employee assistance program; and
 - (d) the penalties that may be imposed upon employees for drug violations.
- (3) Making it a requirement to give a copy of the statement required by subparagraph f.(1) to each employee engaged in the performance of the Agreement, and to post the statement in a prominent place in the workplace.
 - (4) Notifying the City within ten (10) days after receiving notice under Subparagraph f.(1)(c) (ii) from any employee or otherwise receiving actual notice of such conviction.
 - (5) Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is so convicted, as required by 30 ILCS 580/5.
 - (6) Assisting employees in selecting a course of action in the event drug counseling treatment and rehabilitation is required and indicating that a trained referral team is in place.
 - (7) Making a good faith effort to continue to maintain a drug-free workplace through implementation of this section;

g. that during the performance of this Agreement KMA will not maintain or provide for its employees any segregated facilities at any of its establishments, and not permit its employees to perform their services at any location, under its control, where segregated facilities' means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis or race, creed, color, or national origin because of habit, local custom, or otherwise; KMA (except where it has obtained identical certifications from proposed Subcontractors and material suppliers for specific time periods), obtain certifications in compliance with this subparagraph from proposed subcontractors or material suppliers prior to the award of a subcontract or the consummation of material supply agreements, exceeding \$10,000.00 which are not exempt from the provisions of the Equal Opportunity clause, and that KMA will retain such certifications in its files;

h. that no City of Rock Island officer, spouse or dependent child of a City of Rock Island officer, agent on behalf of any City of Rock Island officer or trust in which

a City of Rock Island officer, the spouse or dependent child of a City of Rock Island officer or a beneficiary is a holder of any interest in KMA; or, if KMA's stock is traded on a nationally recognized securities market, that no City of Rock Island officer, spouse or dependent child of a City of Rock Island officer, agent on behalf of any City of Rock Island officer or trust in which a City of Rock Island officer, the spouse or dependent child of a City of Rock Island officer or a beneficiary is a holder of more than one percent (1%) of KMA, but if any City of Rock Island officer, spouse or dependent child of a City of Rock Island officer, agent on behalf of any City of Rock Island officer or trust in which a City of Rock Island officer, the spouse or dependent child of a City of Rock Island officer or a beneficiary is a holder of less than one percent (1%) of KMA, KMA has disclosed to the City of Rock Island in writing the name(s) of the holder of such interest;

- i. that no officer or employee of the City of Rock Island has solicited any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to the government employment or the official position of the employee or officer from KMA in violation of the Rock Island City Code;
- j. that KMA has not given to any officer or employee of the City of Rock Island any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to the government employment or the official position of the employee or officer in violation of the Rock Island City Code;
- k. that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person or entity named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of a Specially Designated National and Blocked Person and that KMA and its principals, shareholders, members, partners, or affiliates, as applicable, are not, directly or indirectly, engaged in, and are not facilitating, the transactions contemplated by this Agreement on behalf of any person or entity named as a Specially Designated National and Blocked Person;
- l. shall comply with the requirements of the Local Government Prompt Payment Act (50 ILCS 505/4 *et seq.*).

2. The remaining terms and provisions of the Agreement are in full force and effect and are not amended, altered or modified by this Addendum.

CITY OF ROCK ISLAND

By: _____
City Manager

KANE, McKENNA AND ASSOCIATES, INC.

By: _____
Charles L. Durham, Senior Vice President

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF ROCK ISLAND
EXPRESSING OFFICIAL INTENT REGARDING CERTAIN
EXPENDITURES TO BE REIMBURSED FROM THE SPECIAL
TAX ALLOCATION FUND FOR AND/OR FROM PROCEEDS OF AN
OBLIGATION ISSUED, IF ANY, IN CONNECTION WITH A PROPOSED
TAX INCREMENT FINANCING DISTRICT COMMONLY DESCRIBED
AS THE CENTURY WOODS REDEVELOPMENT PROJECT AREA**

WHEREAS, the City of Rock Island (the “City”) is contemplating the formation of a tax increment financing district commonly described as the Century Woods Redevelopment Project Area (the “District”) for certain real property located generally at 1400 5th Street, Rock Island, Illinois; and

WHEREAS, certain expenditures relating to projects to be undertaken in the District (“Projects”) have been paid within sixty (60) days prior to or after the passage of this Resolution, including, but not limited to, eligible “Redevelopment Project Costs” (the “Expenditures”) defined by the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the “Act”), and such Expenditures may be initially paid from the general fund of the City or another source; and

WHEREAS, the City reasonably expects to reimburse itself and/or others for the Expenditures from the Special Tax Allocation Fund for the District and/or with proceeds of an obligation to be issued by the City, if any.

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

Section 1. That the foregoing recitals are incorporated herein by this express reference.

Section 2. That the City reasonably expects to reimburse itself and/or others for the Expenditures from the Special Tax Allocation Fund for the District and/or with proceeds of an obligation to be issued by the City, if any.

Section 3. That the maximum principal amount of such obligation expected to be issued, if any, for reimbursement of the Expenditures in connection with the Project is \$3,000,000.00.

Section 4. That this Resolution is a declaration of official intent under Treas. Reg. Section 1.150-2 and under the Act.

Section 5. That the officials, officers and employees of the City are hereby authorized to take further actions as are necessary to carry out the intent and purpose of this Resolution.

Section 7. That this Resolution shall be in full force and effect immediately upon its passage in the manner provided by law.

ADOPTED this 7th day of November, 2016

YEAS: _____

NAYS: _____

ABSENT: _____

ABSTENTION: _____

Passed and approved this 7th day of November, 2016.

Dennis E. Pauley, Mayor of the City of
Rock Island, Rock Island County, Illinois

ATTESTED and filed in my office,
This 7th day of November, 2016.

Aleisha Patchin, City Clerk of the City of
Rock Island, Rock Island County, Illinois

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF ROCK ISLAND
EXPRESSING OFFICIAL INTENT REGARDING CERTAIN
EXPENDITURES TO BE REIMBURSED FROM THE SPECIAL
TAX ALLOCATION FUND FOR AND/OR FROM PROCEEDS OF AN
OBLIGATION ISSUED, IF ANY, IN CONNECTION WITH A PROPOSED
TAX INCREMENT FINANCING DISTRICT COMMONLY DESCRIBED
AS THE HEATHER RIDGE REDEVELOPMENT PROJECT AREA AND
APPROVING A MEMORANDUM OF AGREEMENT
WITH MILLENNIA HOUSING DEVELOPMENT, LTD**

WHEREAS, the City of Rock Island (the “City”) is contemplating the formation of a tax increment financing district commonly described as the Heather Ridge Redevelopment Project Area (the “District”) for certain real property located generally at 9500 14th Street West, Rock Island, Illinois; and

WHEREAS, certain expenditures relating to projects to be undertaken in the District (“Projects”) have been paid within sixty (60) days prior to or after the passage of this Resolution, including, but not limited to, eligible “Redevelopment Project Costs” (the “Expenditures”) defined by the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the “Act”), and such Expenditures may be initially paid from the general fund of the City or another source; and

WHEREAS, the City reasonably expects to reimburse itself and/or others for the Expenditures from the Special Tax Allocation Fund for the District and/or with proceeds of an obligation to be issued by the City, if any.

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

Section 1. That the foregoing recitals are incorporated herein by this express reference.

Section 2. That the City reasonably expects to reimburse itself and/or others for the Expenditures from the Special Tax Allocation Fund for the District and/or with proceeds of an obligation to be issued by the City, if any.

Section 3. That the maximum principal amount of such obligation expected to be issued, if any, for reimbursement of the Expenditures in connection with the Project is \$3,000,000.00.

Section 4. That this Resolution is a declaration of official intent under Treas. Reg. Section 1.150-2 and under the Act.

Section 5. That the Memorandum of Agreement attached hereto as Exhibit A is approved and the City Manager is authorized and directed to execute said agreement in substantially the form attached hereto with such changes as may be approved by those executing the same.

Section 6. That the officials, officers and employees of the City are hereby authorized to take further actions as are necessary to carry out the intent and purpose of this Resolution.

[The rest of this page intentionally left blank]

Section 7. That this Resolution shall be in full force and effect immediately upon its passage in the manner provided by law.

ADOPTED this 7th day of November, 2016

YEAS: _____

NAYS: _____

ABSENT: _____

ABSTENTION: _____

Passed and approved this 7th day of November, 2016.

Dennis E. Pauley, Mayor of the City of
Rock Island, Rock Island County, Illinois

ATTESTED and filed in my office,
This 7th day of November, 2016.

Aleisha Patchin, City Clerk of the City of
Rock Island, Rock Island County, Illinois

EXHIBIT A

MEMORANDUM OF AGREEMENT

**MEMORANDUM OF AGREEMENT REQUIRING
MILLENNIA HOUSING DEVELOPMENT, LTD TO
PAY FOR PROFESSIONAL CONSULTING SERVICES**

THIS MEMORANDUM OF AGREEMENT (“Agreement”) is entered this 7th day of November, 2016 by and between the CITY OF ROCK ISLAND, an Illinois Municipal Corporation, and MILLENNIA HOUSING DEVELOPMENT, LTD. (the “Developer”).

Whereas, the City Council for the City of Rock Island City (hereinafter the “City”) is considering approval of a contract for professional services (hereinafter “Contract”) with the consulting firm of Kane McKenna and Associates, Inc. (hereinafter “KMA”) for the preparation of certain studies and reports (hereinafter the “Services”) related to the property generally located at 9500 14th Street West, Rock Island, Illinois (hereinafter the “Heather Ridge TIF District”) and the property generally located at 1400 5th Street, Rock Island, Illinois (hereinafter the “Century Woods TIF District”) (collectively the Heather Ridge TIF District and Century Woods TIF District are referred to herein as the “TIF Districts”); and

Whereas, the City Council’s approval of the Contract is contingent upon securing a written agreement with the Developer to pay for all costs of the Services.

NOW, THEREFORE, the undersigned parties agree as follows:

1. The recitals of fact hereinabove made are restated, agreed and affirmed as if fully set forth herein.
2. Concurrently with the execution of this Agreement and its delivery to the City, the Developer shall deposit the sum of \$60,000.00 (the “Deposit”) with the City to be used by the City to pay for the Services. The City shall hold the Deposit in escrow and no interest shall accrue on the Deposit. The City shall from time to time draw funds from the Deposit to pay for the Services. Should the City Manager determine at any time that the current amount of the Deposit is, or is likely to become, insufficient to pay the actual costs of the Services, the City Manager, or his designee, shall inform the Developer of that fact and request an additional deposit in an amount deemed by the City to be sufficient to cover the costs of the Services. Unless and until such additional deposit is received, the City may suspend the Services.
3. The Developer and City agree that nothing contained herein shall obligate the City to establish the Heather Ridge TIF District and/or the Century Woods TIF District.
4. The Developer shall indemnify and hold harmless the City, its officials, officers, employees and agents from all costs and expenses associated with the preparation of the Services and all causes of action arising from preparation of the Services and/or establishment of the TIF Districts.

5. The provisions of this Agreement shall be governed by the laws of the State of Illinois.
6. Time is of the essence for the performance of this Agreement.
7. This Agreement may be signed and delivered in counterparts.

IN WITNESS WHEREOF, the parties have executed this Agreement this 7th day of November 2016.

City of Rock Island, Illinois

By: _____
City Manager