

MEMORANDUM
COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

TO: Thomas Thomas, City Manager

SUBJECT: Forest Siding Project

DATE: 11/12/12

Forest Siding is interested in adding a new outdoor storage area to the east of their property at 619 11th St. The storage space will accommodate the needs of their tenant, Shelter Distribution, and will be placed on company land plus two adjacent vacant lots on 12th St. (See provided location map.)

In their letter of request, Forest Siding asks the City to purchase and donate the corner lot at 600 12th St. and donate the existing city lot at 610 12th St. to support the estimated \$100,000 investment to the property.

Staff has met with Nathan James, the owner of the corner lot at 600 12th St. A purchase price for his 7,900 sq. ft. lot was set at \$8,000. The vacant 4,620 sq. ft. city lot was purchased at the 2005 tax auction for \$878.

Contact has been made with the adjacent property owner to the south of the proposed outdoor area. No concerns were raised given the requirement that the area will be fenced, landscaped, and no truck activity will be scheduled past 3:30 p.m. during the week and there will be no weekend activity.

Staff recommends supporting this project by purchasing and donating the private lot and donating the city lot to Forest Siding. The addition of the outdoor storage area will retain the existing business tenant and 10 employees.

Vendor: Kutsunis, Weng & Morrisson Trust Account - V12844
Payment Amount: \$8,000
Fund: 203 North 11th St. TIF District
Department: 312 Economic Development
Cost Center: 801 General Development
Object Code: 55301 CED Land Purchases
Project Code: 00000000
Requisition Number: R003577

Recommendation:

Council authorize the \$8,000 purchase and donation of the property at 612 12th St. and the donation of the city lot at 610 12th St. to Forest Siding Supply, LLC, authorize the City Manager to execute the contract documents and refer to the City Attorney for an ordinance.

Submitted by: Mary Chappell, Land & Development Programs Coordinator
Jeff Eder, Community & Economic Development Director

FOREST SIDING SUPPLY

Property Management Department
70 North May Avenue
Oklahoma City, OK 73107

(405) 232-0946
(405) 232-0987 Fax

October 19, 2012

Mary M. Chappell
Development Programs Manager
Community & Economic Development Department
1528 Third Avenue
Rock Island, IL 61201

Dear Ms Chappell

RE: 619 11th Street, Rock Island

We are very pleased and honored that The City Council of Rock Island has approved our initial request to obtain two lots located at the SW corner of 6th Avenue and 12th Street in Rock Island.

We respectfully request that this lot, shown on the attached drawing as "vacant lot" as well as the adjoining property, shown on the attached drawing as "City of Rock Island" be donated to Forest Siding Supply, Inc.

As we have previously stated, our plan is to lay down new pavement on the entire area. The two parcels referenced above along with the adjoining property we own will make almost one-half acre and we intend on putting down new pavement over the entire area. This is needed for our tenant to grow and expand their business and it is the primary requirement of the tenant to stay in that building. Their lease expires December 31, 2012.

The tenant will also require secure fencing. At this writing the manager there is trying to obtain solid bid amounts for the type of fencing that they require to protect their inventory as well as be acceptable to the Council. Until now, I only have estimates of this cost.

The Lighting: As I told you before, I spoke with Mid America Energy Company and once we have a drawing of where the fences and gates will be, they will submit to us lighting plan that will show the poles and direction of the light. We really don't have any control over this, except to ask them to install the lighting, which they

have agreed to do. However, I'm sure that they are just as concerned as the Council with regard to the best use of their energy.

Other items that will be on the agenda for improvements are landscaping. Bushes and shrubs will be installed outside of the fenced and paved area so make an attractive appearance. However the Council needs to know that this is a roofing company and they will be storing roofing materials within the confines of the fence and on the new hard surface.

There will be need to open the east side of the building and install an overhead access door, so that product, equipment and workers will have direct access to the new storage area without having to venture outside the fenced area.

Gates will be installed at a point that matches the current drive area on the east of the building that bisects the block. Trucks will pull into one gate of the fenced area, off-load, then pull directly through to the other side which will eliminate any turning around, backing up or blocking either 6th or 7th Avenue. As reported the standard receiving time for our tenant is between 8:00 AM and 3:30 PM.

Shelter has verbally committed to a seven year lease. They have 7 employees now and this expansion could add as many as 3 more jobs, not to mention any additional sales tax increased sales will generate.

The planned investment at this point is:

| | |
|-------------|-------------------------------------------------------------------|
| Fence: | \$ 18,000. Estimated at this point |
| Paving | \$ 70,000. to \$92,000 (depending if we use asphalt or concrete.) |
| New OH Door | \$ 6,000. estimate |
| Landscaping | \$ 1,500. |

If we can obtain the donation from the city of the two lots, then we can use that \$8,000 for the improvements on the Building. Also, if there are credits available for façade improvements, that would allow us to use those funds for possible upgrades to the fence materials. We would respectfully ask that we be considered for any available Façade Improvement Funds.

Thank you for your consideration. I look forward to hearing from you.

Sincerely,


Karen Davenport
Property Manager

KD/ms

Cc: Philip R. Slaughter

Forest Siding/Shelter Expansion

611-19 11th Street

- Now 1.67 Acres
- Property Zoned B3 -
Community Business
- Traffic Count:
US 67 6,700 ADT

Contact:
Jeff Eder
309/732-2920
eder.jeff@rigov.org



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Community & Economic Development
309/732-2920
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