



Memorandum Community & Economic Development Department

To: Thomas E. Thomas, City Manager
Subject: Agreement with Dinner Theatre Associates Ltd.
Date: February 26, 2014

CED staff has been working with owners of downtown properties in need of renovations to preserve the integrity of their buildings in order to maintain and support the viability of their business. This effort is being made to determine where to spend available and remaining Downtown TIF funds that will have the most impact.

Staff recently met with the owners of Dinner Theatre Associates Ltd. (d/b/a Circa '21 and The Speakeasy), at 1828 Third Avenue, to review building issues that are impacting the operations of both venues. The following letter from Denny Hitchcock outlines the current renovation needs and also details plans involved with a longer term renovation program. The total for the improvements as presented is over \$350,000.

A development agreement has been created to support \$200,000 of the proposed improvements that will maintain the envelope of the main theatre and the adjacent buildings. Funds would be allocated to support a new heating system for the The Speakeasy, new air conditioning for the theatre, front window repair on the theatre building, and roof repairs for the adjoining stage house. The remaining renovations would be supported by other funds.

Given the significance of the former Fort Armstrong theatre building in the downtown and Circa'21's 37 years of continuous operation, staff recommends the support of this agreement as it will continue to sustain the integrity of a National Register listed building and support the ongoing success of two businesses.

Vendor: Dinner Theatre Associates Ltd.
Payment Amount: \$200,000
Fund: 201
Department: 312 Economic Development
Cost Center: 801 General Development
Object Code: 54101
Project: 0000000
Requisition:

Recommendation:

The Community and Economic Development Department recommends the Council adopt Ordinance No. _____ (approving a development agreement subject to minor attorney modifications with Dinner Theatre Associates Ltd. d/b/a Circa '21) and authorize its execution by the City Manager.

Submitted by: Jeffery A. Eder, CED Director/Asst. City Manager
Mary Chappell, Development Programs Manager

Approved by: Thomas Thomas, City Manager

CITY OF ROCK ISLAND

ORDINANCE NO. _____-2014

**AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF THE
REDEVELOPMENT AGREEMENT BY AND BETWEEN THEATRE ASSOCIATES LTD., d/b/a Circa '21
Dinner Playhouse
AND THE CITY OF ROCK ISLAND, ROCK ISLAND COUNTY, ILLINOIS**

WHEREAS, Theatre Associates LTD., d/b/a Circa '21 Dinner Playhouse (the "Developer") desires to enter into a redevelopment agreement ("Redevelopment Agreement") with the City of Rock Island, Rock Island County, Illinois (the "City") for purposes of redeveloping of a portion of the Downtown Redevelopment Project Area (the "Redevelopment Area") with a mixed use development (the "Project"); and

WHEREAS, the Corporate Authorities of the City find it is in the best interests of the City to enter into the Redevelopment Agreement.

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

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

Section 2. That upon receipt from the Developer of four (4) executed copies of the Redevelopment Agreement, the City Manager is hereby authorized to execute, and the City Clerk is hereby authorized to attest to, the Redevelopment Agreement in substantially the form of such agreement appended to this Ordinance as Exhibit "A," with such changes therein as shall be approved by the officials of the City executing the same, their execution thereof to

constitute conclusive evidence of their approval of any and all changes or revisions therein from and after the execution and delivery of such Redevelopment Agreement.

Section 3. That the officials, officers and employees of the City are hereby authorized to take such further actions and execute such documents as are necessary to carry out the intent and purpose of this Ordinance and of the Redevelopment Agreement.

Section 4. That this Ordinance shall be in full force and effect upon and after its passage and approval in the manner provided by law.

PASSED AND APPROVED on March _____, 2014.

Thomas Thomas
CITY MANAGER, CITY OF ROCK ISLAND

ATTEST:

Aleisha Patchin
CITY CLERK

EXHIBIT "A"

REDEVELOPMENT AGREEMENT

Development Agreement

THIS AGREEMENT is entered into this _____ day of April, 2014 by and between Dinner Theatre Associates LTD., d/b/a Circa '21 Dinner Playhouse ("Developer") and the CITY OF ROCK ISLAND, an Illinois Municipal Corporation ("City").

WHEREAS, the Developer intends make repairs at Circa '21 Dinner Playhouse and The Speakeasy as part of the implementation of the Downtown Plan, and;

WHEREAS, it is the intent of the City to support development within the downtown;

NOW THEREFORE, the parties, in exchange for the promises herein contained the receipt and sufficiency of which are hereby acknowledged agree as follows:

- 1) The Developer needs to make much needed renovations to facility which include: HVAC replacement, window repairs, tuck pointing, roof replacement, exterior painting, etc... The work will be completed in phases.
- 2) The Developer agrees that the total cost of this four year renovation project, including but not limited to planning, engineering, legal services, marketing, professional fees, labor and construction materials, is estimated to exceed \$359,000.
- 3) Developer hereby agrees to commence work on the Property no later than April 2014 and have all construction work completed no later than December 2017. Failure to complete construction by the date specified herein shall be considered a material breach of this agreement entitling the City to terminate this agreement by written notice to Developer at his address of such intention not less than fourteen (14) days prior to the desired termination date.
- 4) City agrees to contribute cash to the Developer in the sum total of up to Two hundred thousand dollars and 00/100 (\$200,000) to be used to support the renovation work to the main theater and adjacent buildings with said contribution derived from Tax Increment Finance (TIF) revenues. Funds will be distributed as outlined in section 6 as long as the Developer has earned the amounts by completing elements outlined in section 5.

- 5) The Developer can earn payment for costs associated with the completion of specific project

HVAC – Speakeasy building	\$16,000
HVAC – Circa '21 building	\$86,000
Window Repair – Circa '21 building	\$73,000
Exterior Repairs – Stage House building	<u>\$30,000</u>
Total:	\$205,000

6) The City of Rock Island agrees to the following pay out schedule

April 10, 2014	\$50,000
April 10, 2015	\$50,000
April 10, 2016	\$50,000
April 10, 2017	\$50,000

7) The Developer hereby agrees to expend said TIF revenues only on those elements of the project that are eligible activities under 65 ILCS 5/11-74.4) and to comply with all applicable requirements for the use TIF funds under 65 ILCS 5/1-74.4. Prior to the release of said funds, a representative from the city and shall meet and confer on the use of the funds.

8) The Developer hereby acknowledges that use of City funds requires compliance with the Illinois Prevailing Wage Act (820 ILCS 1130) as amended.

9) This Agreement shall be governed and construed in accordance with the laws of the State of Illinois with jurisdiction and venue in Rock Island County.

10) In the event of a default under this Agreement by either party hereto which default is not cured within thirty (30) days of the date of receipt of notice to the defaulting party specifying that said party has failed to perform a particular obligation, the other party shall have an action for damages or, in the event damages would not fairly compensate the non-defaulting party of this Agreement, the non-defaulting party shall have such other equitable rights and remedies as are available at law or in equity.

11) Delays by the Developer or City in performing obligations hereunder due to acts of God or strikes, fires, floods, explosions, wars, differences with workers, delays in transportation or accidents during construction, military arrest or restraints, acts, demands or requirements of the United States or any state or territory thereof, or any governmental subdivision thereof, or due to any other causes whatsoever, whether similar or dissimilar to those above enumerated which are beyond the Developer's or City's control and not resulting from the Developer's or City's fault shall cause an automatic extension of the starting and/or completion dates for the period attributable to any such cause. The affected component of this Agreement shall be deemed suspended for so long as its extension is prevented or delayed by such cause.

12) Time is of the essence of this Agreement.

13) Either 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 thereafter, nor shall it be deemed to constitute a waiver of other rights and remedies provided said party pursuant to

this Agreement. If any term or provision of this Agreement is held to be invalid or unenforceable, to any extent, the remainder of this Agreement shall continue to be fully valid and enforceable.

- 14) Notices, demands, consents, approvals or other instruments required to permitted by this Agreement shall be in writing and shall be executed by the party or an officer, agent, attorney of the party, and shall be deemed to have been effective as to the date of actual delivery, if delivered personally, or as of the third day from and including the date on which it is mailed by registered or certified mail, return receipt requested, with postage prepaid addressed as follows:

To Developer: Dinner Theatre Associates Ltd.
 1828 Third Avenue
 Rock Island, IL 61201

To City: City Clerk
 City of Rock Island
 1528 3rd Avenue
 Rock Island, IL 61201

- 15) This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their devisees, successors and assigns.
- 16) The preambles contained herein are incorporated in this Agreement by this express reference and made a part hereof.
- 17) This Agreement embodies the entire agreement between the parties and supersedes any written or oral agreement and may be amended or supplemented only by an instrument in writing executed by the parties hereto.

City of Rock Island

Dinner Theatre Associates Ltd.

Thomas Thomas, City Manager

Dennis Hitchcock, President

ATTEST:

Aleisha Patchin, City Clerk

A TASTE OF BROADWAY
CIRCA'21
DINNER PLAYHOUSE

February 24, 2014

Mr. Jeffery A. Eder
Community & Economic Development Director
City of Rock Island
1528 3rd Avenue
Rock Island, IL 61201

Dear Jeff,

To begin with, I would like to thank you and Mary for taking the time to meet with us. Listed below are the prioritized projects we are submitting for consideration for use of The City of Rock Island TIF funds. Enclosed are the bids for these projects. Some bids are from 2013 and some are current.

1. After inspecting and servicing the Trane roof top heating unit for The Speakeasy, Northwest Mechanical's technician said that the control panel is not working properly and the heat exchanger is cracked. We are now at a point where the entire unit needs to be replaced. The December 13, 2013 bid from Northwest Mechanical for a new unit is \$16,200.
2. Our air conditioning system in Circa '21 was installed in ~ 1952. The age of the units necessitates many service calls during the cooling season. Last year, we were forced to cancel two performances because the units were down. We have paid approximately \$22,000 annually for air conditioning service calls. The April 30, 2013 bid from Northwest Mechanical is \$85,900.
3. There are seven sets of windows - 7' - 10' Wide x 14' high - on the second floor of Circa '21. Most are missing caulking and have rotted wood. There is also damaged terra cotta and weather damage to the decorative metal balconies. In addition, a substantial amount of tuck pointing is required. The February 24, 2014 updated bid from E & H Restoration is \$72,600.
4. The roof above the stage house (the higher portion at the rear of the building) has many leaks and requires frequent repairs. The leaks cause a safety problem for personnel, a danger to electronic and electrical equipment and continue to damage the ceiling and walls. The February 25, 2014 estimate from White Roofing is \$30,000.
5. The steel ladders to the lower and upper roof are rusting and coming loose from the building and need to be repaired. In the absence of a formal bid, we are estimating \$2,500.
6. The front and rear exterior of The Speakeasy and The Show Business need to be painted for aesthetic reasons as well as to protect the building materials. The paint is severely chipping off and rain has caused a good deal of wood to deteriorate. The February 18, 2013 bid from W.F. Scott Decorating is \$10,900.

7. The front façade repair of The Show Business is necessitated by a separation above the large glass window allowing rain to leak in and damage wood in the framing and inside the display window. The May 22, 2013 bid from Big Dog Construction is \$5,600. In addition, we plan to build additional costume storage space in the raised area directly inside of the window. We have not yet solicited a price for this work, but we will budget \$5,000.

8. The masonry work at The Speakeasy is needed because the east exterior brick wall has many bricks which have fallen off and many more that are very loose and crumbling. In places, the bricks missing are two layers deep. Water damage is occurring in the areas where bricks are missing and water is seeping into the foundation. Bi-state Masonry's February 24, 2014 bid is \$3,000.

9. The fire escape on the west side of the theatre is in need of restoration. The east fire escape was restored approximately 13 years ago. In absence of a formal bid, we are estimating \$18,500.

10. Finally, the cracked transom glass on the 19th Street side of The Garden Shop is a safety concern and rain is leaking in, as a result of the cracks, causing interior water damage and an electrical danger. The February 25, 2014 bid from Rock Island Glass is \$2,000.

11. In addition to the above, there are seven interior projects we plan to undertake as funds become available.

- a. Replace the chairs in the theatre. Estimated cost: \$18,000.
- b. Replace carpeting in the theatre. Estimated cost: \$ 25,000
- c. Replace the incandescent bulbs in the theatre and the ceiling cove with dimmable LED's:
Estimated Cost: \$1,500.
- d. Repair the theatrical rigging system to comply with results of a recent inspection.
Estimated cost: \$12,000.
- e. Purchase walk-in freezer strip doors to insulate the loading door. Estimated cost: \$2,000.
- f. Purchase new sound board. Estimated cost: \$4,000.
- g. Convert the former Garden Shop into a 3- stall ladies restroom and install a door between the inner lobby and the Garden Shop. Estimated cost: \$45,000.

Once again, thank you very much for your support, help and consideration.

Sincerely,



Dennis Hitchcock, President

Encl: Estimates/Bids

Email Cc: Mary Chappell, Diane Laake, Brett Hitchcock

Circa 21

Request for consideration of TIF funds submitted 02/25/14.

Work to Be Done	Estimate Received From	Proposed Estimate
New rooftop heating unit	NW Mechanical	\$16,200.00
New air conditioning system	NW Mechanical	\$85,900.00
Replace seven (7) sets of windows; restore damaged terra cotta and decorative metal balconies; tuckpointing as needed	E&H Restoration	\$72,600.00
New roof above the stage house	White Roofing	\$30,000.00
Replace steel ladders to lower & upper roof		\$2,500.00
Paint front and rear exterior	W.F. Scot Decorating	\$10,900.00
Facade Repair	Big Dog Construction	\$5,600.00
New costume storage space		\$5,000.00
Masonry work	Bi-State Masonry	\$ 3,000.00
Replace fire escape on West side of theatre		\$18,500.00
Replace transom glass on 19 th side of theatre	Rock Island Glass	\$2,000.00
TOTAL FOR MECHANICAL & BUILDING REHAB PROJECTS		\$252,200.00
Other Interior Projects		
Replace chairs in theatre		\$18,000.00
Replace carpeting		\$25,000.00
Replace incandescent bulbs w/ dimmable LED's		\$1,500.00
Repair theatrical rigging system		\$12,000.00
Purchase of walk-in freezer strip doors to insulate the loading door		\$2,000.00
Purchase new sound board		\$4,000.00
Convert former Garden Shop into a three (3) stall ladies restroom and install door between inner lobby and Garden shop.		\$45,000.00
TOTAL FOR INTERIOR PROJECTS		\$107,500.00
TOTAL FOR ALL PROPOSED PROJECTS		\$359,700.00