

**Memorandum
Community and Economic Development**

To: Thomas Thomas, City Manager
Subject: LRC / Hill & Valley
Date: April 2, 2014



Hill & Valley has requested the City redirect the moving expenses which were granted to them as part of the relocation package to LRC (see attached letter). By redirecting the \$500,000 which approved in the original agreement to LRC lets them take better advantage of tax deductions/credits. To accomplish this goal, both agreements need to be modified, Hill & Valley agreement will be reduced by \$500,000 to \$1 and LRC's agreement supporting the relocation will be increased by \$500,000 to \$2,400,000. The change has no impact on the overall cost of Hill & Valley's relocation.

RECOMMENDATION:

The Community and Economic Development Department recommends Council approval of the first amendment to the redevelopment agreement for LRC Developers, Inc and the first amendment to the redevelopment agreement for Hill & Valley, Inc., subject to minor attorney modifications and authorize its execution by the City Manager.

Submitted by: Jeffery A. Eder, Assistant City Manager / CED Director

Approved by: Thomas Thomas, City Manager

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March 25, 2014

Mr. Jeffery Eder
Community & Economic Development Director
City of Rock Island
1528 Third Avenue
Rock Island, Illinois 61201

Dear Jeff,

This letter authorizes the City of Rock Island to transfer and assign a certain \$500,000 funding benefit from Hill & Valley, Inc, to LRC HV, LLC, which funding is pursuant to the Redevelopment Agreement originally executed on February 28, 2014 by and between Hill & Valley, Inc. and the City of Rock Island (the "RDA").

This requested funding transfer and assignment is being executed in conjunction with the First Amendment to Build-To-Suit Lease (the "Amendment") executed by and between Hill & Valley, Inc., LRC HV, LLC, and L.R.C. Developers, Inc. on March 21, 2014. The Amendment reflects LRC HV, LLC's obligation to use the above-referenced \$500,000 to pay certain Hill & Valley, Inc. expenses defined in section 2 of the RDA.

Best regards,

Mark Robson
Chief Financial Officer
Hill & Valley, Inc.

Cc: Doug Davidson – Hill & Valley, Inc.
Scott Christiansen – L.R.C. Developers, Inc.
Thomas Thomas – City of Rock Island
Paul Shadle – DLA Piper LLP

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