

**Memorandum  
Community & Economic Development Department**



**To:** Thomas Thomas, City Manager  
**Subject:** 217 – 18<sup>th</sup> Street  
**Date:** May 7, 2014

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The City of Rock Island has placed a high priority on the establishment of new downtown businesses and also increasing downtown residential living. Dan Bonowski, owner of “Jaded Gypsy Tattoo” relocated his business from Watchtower Plaza to the two-story building located at 217 – 18<sup>th</sup> Street, immediately north of “Huckleberry’s.” Mr. Bonowski purchased the building, which had previously been used as an office supply business. The building sat vacant for a number of years before Mr. Bonowski completely renovated the ground floor for his business. While he worked alone at his previous location, he now has six employees and plans further expansion in the future. Mr. Bonowski’s was one of the ten new downtown businesses included in the “rolling ribbon cutting” sponsored by Renaissance Rock Island on Thursday, April 24<sup>th</sup>.

Mr. Bonowski would like to remodel a portion of the second floor to be used as a residence for himself and his small son. He has retained local architect Lo Milani to design a two-bedroom apartment and intends to act as his own contractor, performing most of the work himself, as he did on the ground floor. Mr. Bonowski has provided a cost estimate prepared by his architect which indicates that complete build-out of the second floor apartment to be approximately \$24,000.00. The Downtown TIF Upper Story Program allows up to 40% of the estimated costs to be reimbursed to the owner, which would be \$9,600.00 for this project. Staff has included the cost estimate and a development agreement and ordinance for Council to consider for approval.

**RECOMMENDATION:** The Community and Economic Development Department recommends that Council adopt Ordinance No. \_\_\_\_ (approving a development agreement) subject to minor attorney modifications and authorize execution by the City Manager.

Funding Source: Account # 201-312801-55218-0000000

Requisition Number: R004625

**Submitted by:** Jeffery A. Eder, Assistant City Manager / CED Director  
Ben Griffith, Planning & Redevelopment Administrator

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**Approved by:** Thomas Thomas, City Manager

## **Daniel R Bonowski DBA: Jaded Gypsy Tattoo Redevelopment Agreement**

THIS AGREEMENT is entered into this 15<sup>th</sup> day of May, 2014 by and between Daniel R Bonowski ("Owner ") and the CITY OF ROCK ISLAND, an Illinois Municipal Corporation ("City").

WHEREAS, the Owner intends to develop a upper story unit for personal living residence known as "Jaded Gypsy Tattoo" within the Downtown Redevelopment Project Area (the "Downtown TIF") as part of the implementation of the Downtown Plan, and;

WHEREAS, it is in the best interest of the City to support development within the Downtown Redevelopment Project Area;

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 Owner agrees that the total costs of the Project, including but not limited to planning, professional fees, construction loan interest, labor and construction materials is estimated at \$24,000.00 and the owner agree that there will be a 40/60 % split in cost with the owner paying the 60% of the construction cost and the city reimbursing the 40% of the construction cost.
2. Owner shall commence work on the Project no later than June 15, 2014 and the Project completed and the unit ready for occupancy no later than December 31, 2014. Failure to complete construction by the date specified herein shall be Considered a material breach of this Agreement and shall entitle the City to terminate this Agreement by written notice to Owner at his address of such intention not less than fourteen (14) days prior to the desired termination date.
3. The City shall provide economic incentive to the Owner in an amount not to exceed Nine Thousand Six Hundred Dollars and 00/100 (\$9,600) to be used to Reimburse the Owner for eligible Project costs, with said contribution derived from the funds in the Special Tax Allocation Fund for the Downtown TIF. If the Project does not proceed as contemplated by this Agreement, all funds contributed by the City to the Owner shall be paid back to the City not less than fourteen (14) days following Developer's receipt of written notice from the City.
4. The economic incentive shall be paid to the Owner upon completion of the rehab project.
5. Prior to the payment of the economic incentives provided for herein by the City To the Owner, the Owner shall, not less than thirty (30) days prior to the Payment, provide the City with documentation evidencing the expenditure for eligible redevelopment project costs, as defined in the Illinois Tax Increment Allocation Act (65 ILCS 5/11-74. 4-1et seq.), in an amount in excess of the Payment to be received. Such documentation shall include, paid invoices, Receipts, cancelled checks, sworn statements, lien waivers, or other such Documentation demonstrating the payment for eligible redevelopment project costs by the Owner.
6. To the extent required by law, the Owner agrees to pay, and to contractually Obligate and cause any and all general contractors and subcontractors to pay

the prevailing rate of wages as established by the City pursuant to the Illinois Prevailing Wage Act [820 ILCS 130/0.01 et seq. (Illinois State Bar Ed. 2010)].

7. 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.
8. 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.
9. Delays by the Developer or the 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 or the City's control and not resulting from the Developer or the 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.
10. Time is of the essence of this Agreement.
11. The rights and obligations of the Owner are fully assignable by means of written notice to the City, provided that no assignment shall be deemed to release the Owner of its obligations to the City under this Agreement unless the written consent of the City to release of the Owner obligations is obtained.
12. 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.
13. 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 be 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 Owner: Daniel R Bonowski  
DBA: Jaded Gypsy Tattoo  
217 18<sup>th</sup> Street  
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

Jaded Gypsy Tattoo

\_\_\_\_\_  
Thomas Thomas, City Manager

\_\_\_\_\_  
Daniel R Bonowski

ATTEST:

\_\_\_\_\_  
Aleisha Patchin, City Clerk

Exhibit A

Legal Description

The N. 18 feet of the S.  $\frac{1}{2}$  of lot 8, in Block 9 in that part of the City of Rock Island Known as and called Spencer & Case's Addition to said City; situated in the county Of Rock Island, in the State of Illinois.

Exhibit B  
Conceptual Drawings

**CITY OF ROCK ISLAND**

**ORDINANCE NO. \_\_\_\_-2014**

**AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF THE  
REDEVELOPMENT AGREEMENT BETWEEN BY AND BETWEEN DANIEL R. BONOWSKI  
AND THE CITY OF ROCK ISLAND, ROCK ISLAND COUNTY, ILLINOIS**

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WHEREAS, Daniel R. Bonowski (the "Owner") desires to enter into a redevelopment agreement ("Redevelopment Agreement") with the City of Rock Island, Rock Island County, Illinois (the "City") for the purpose of renovating a portion of the Downtown Redevelopment Project Area (the "Redevelopment Area") with a second floor apartment to become his primary residence (the "Project"); and

WHEREAS, the Corporate Authorities of the City find it is in the best interest 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 Owner 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 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 all 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 May 12, 2014.

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Thomas Thomas  
CITY MANAGER, CITY OF ROCK ISLAND

ATTEST: \_\_\_\_\_

APPROVED: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Aleisha Patchin  
CITY CLERK. CITY OF ROCK ISLAND