

## Memorandum Community and Economic Development

**To:** Thomas Thomas, City Manager  
**Subject:** The Garden District Development  
**Date:** February 4, 2015



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Rock Island Economic Growth Corporation (Growth) has requested the City of Rock Island to donate a parcel of land on the North West Corner of Jackson Square (commonly known as 321 – 24<sup>th</sup> Street). The parcel is currently developed as parking lot which is acting as an environmental cap for the property. The parcel will be used for parking for the residents and commercial tenants in Jackson Square and also to support the new Garden District Development. The agreement also allocates \$25,000 in Downtown TIF funds needed as the increased development costs associated with the site due to the environmental conditions of portions of the site.

The Garden District Development will consist of 7 town home/row home style single family units. This One Million Five Hundred Thousand dollar investment will a great addition to the neighborhood that has seen significant redevelopment. Each unit will be sold at market rates with no income restrictions. The estimated price of each unit is \$225,000.

### **RECOMMENDATION:**

The Community and Economic Development Department recommends that the Council approve the development agreement regarding the Garden District Development with GROWTH and authorize its execution by the City Manager.

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

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

AGREEMENT  
Garden District Development

THIS AGREEMENT is entered into this \_\_\_\_\_ day of February, 2015 by and between ROCK ISLAND ECONOMIC GROWTH CORPORATION ("Growth") and the CITY OF ROCK ISLAND, an Illinois Municipal Corporation ("City").

WHEREAS, Growth intends redevelop a multi-unit residential development known as "Garden District" 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 Growth will redevelop the parcel on the north side of Jackson Square just south the Children's Garden. The development will consist of 7 new townhomes. The parcel is legally described in exhibit A.
2. The Growth agrees that the total costs of the project, including but not limited to land acquisition, site development, planning, engineering, legal services, marketing, professional fees, mortgage interest, construction loan interest, labor and construction materials is estimated to exceed One Million Five Hundred Thousand ( \$1,500,000.00).
3. The City agrees to contribute land located 321 – 24<sup>th</sup> Street (approximately located Northwest corner of the current Jackson Square project and legally described in Attachment A) to Growth to be used to support The Garden District. It is noted that the property currently has a concrete parking lot which acts as an engineered barrier as part of a no further remediation letter (NFR) for a known environmental issues that must be kept in place unless a cleanup of the site is undertaken.
4. The City agrees to contribute Twenty-Five Thousand Dollars (\$25,000.00) from the Downtown TIF to support the development.
5. If the project does not proceed as contemplated by this agreement, all funds/property contributed by the City shall be paid back to the City.
6. Growth 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 the Growth shall meet and confer on the use of the funds.

7. Growth hereby acknowledges that use of City funds requires compliance with the Illinois Prevailing Wage Act (820 ILCS 1130) as amended.
8. 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.
9. Growth hereby agrees to commence work on the Property no later than October 2015 and have all construction work completed and all units ready for occupancy no later than August 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.
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 Growth 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 Growth's or City's control and not resulting from Growth'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. The rights and obligations of the Growth are fully assignable by means of written notice to the City, provided that no assignment shall be deemed to

release the Growth of its obligations to the City under this Agreement unless the consent of the City to release of the Growth's obligations is obtained.

14. 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.
15. 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.
16. 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:           Rock Island Economic Growth Corporation  
                                  100 19<sup>th</sup> Street  
                                  Suite 109  
                                  Rock Island, IL 61201

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

17. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their devisees, successors and assigns.
18. The preambles contained herein are incorporated in this Agreement by this express reference and made a part hereof.

19. 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

Rock Island Economic Growth Corporation

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

\_\_\_\_\_  
Brian Hollenback

ATTEST:

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

Exhibit A  
(Legal Description)

Legal Description - Parcel 4

That certain tract or parcel of land situated in the North West Quarter of Section Thirty-six (36), in Township Eighteen (18) North, Range Two (2) West of the Fourth Principal Meridian, in the City of Rock Island, Rock Island County, Illinois, bounded and described as follows:

Commencing at a point in the East line of Twenty-fourth Street in the City of Rock Island that is 160 feet North of the North Line of Fourth Avenue in said City as now used; thence running Northwardly along the East Line of said Twenty-fourth Street, 160 feet to the South Line of Third Avenue in said City; thence running Eastwardly along the South line of said Third Avenue 90 feet' thence running Southwardly and parallel with the East line of said Twenty-fourth Street, 160 feet; and thence running Westwardly parallel with the North Line of said Fourth Avenue, 90 Feet to said Point of Commencement.



- Development Association of Rock Island
- Rock Island Economic Growth Corporation
- The Downtown Rock Island Arts & Entertainment District

January 28, 2015

Mr. Jeff Eder  
Community & Economic Development  
City of Rock Island  
1528 3<sup>rd</sup> Ave  
Rock Island, IL 61201

RE: Land Donation

Dear Mr. Eder,

Please accept this letter of request from the Rock Island Economic Growth Corporation (GROWTH) for a donation of land related to The Garden District project. As you are aware, GROWTH is in the preparing to develop seven single family units just north of the existing Jackson Square development.

The City owns land located at the northwest corner of the current Jackson Square building located at 321 24<sup>th</sup> Street (see attachment for legal description). GROWTH is requesting the City donate this parcel in an effort to proceed with the project and to advance implementation of the Downtown Plan.

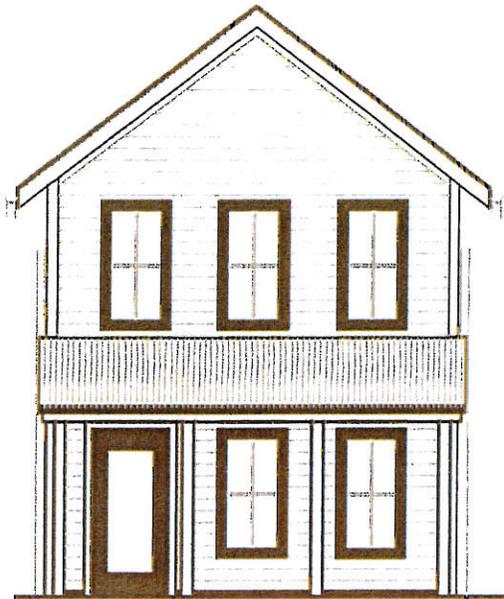
As always, we appreciate the partnership of the City of Rock Island and staff in our community development efforts. Please feel free to contact me with any questions.

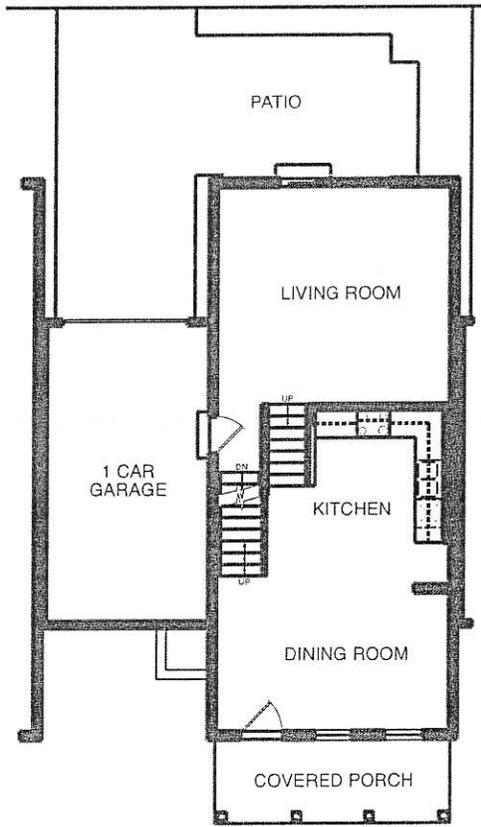
Sincerely,

A handwritten signature in black ink, appearing to read "Brian Hollenback".

Brian Hollenback  
President







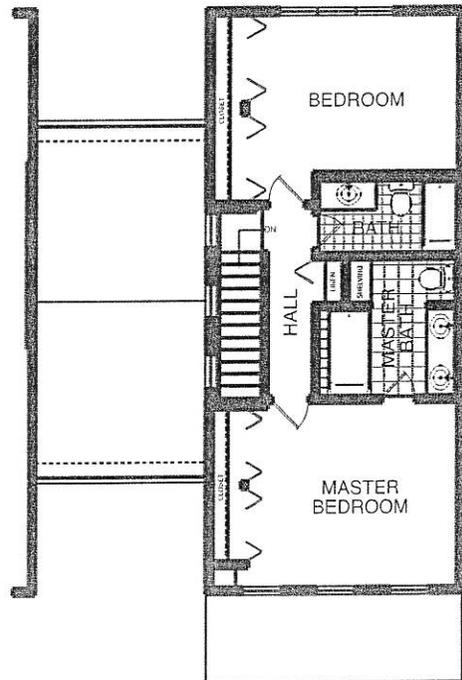
First Floor



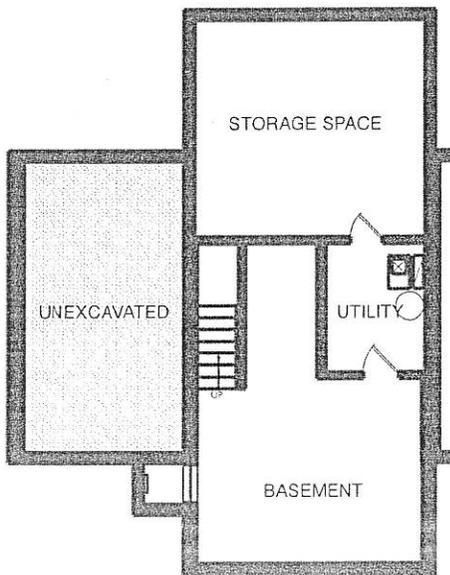
dining room — 13'3" x 9'10"  
 kitchen — 9'4" x 12'6"  
 living room — 16'10" x 15'6"  
 1 car garage — 11'8" x 21'2"

bedroom — 14'9" x 10'10"  
 master bedroom — 14'9" x 12'7"

basement — 16'4" x 13'1"  
 storage space — 16'8" x 15'5"



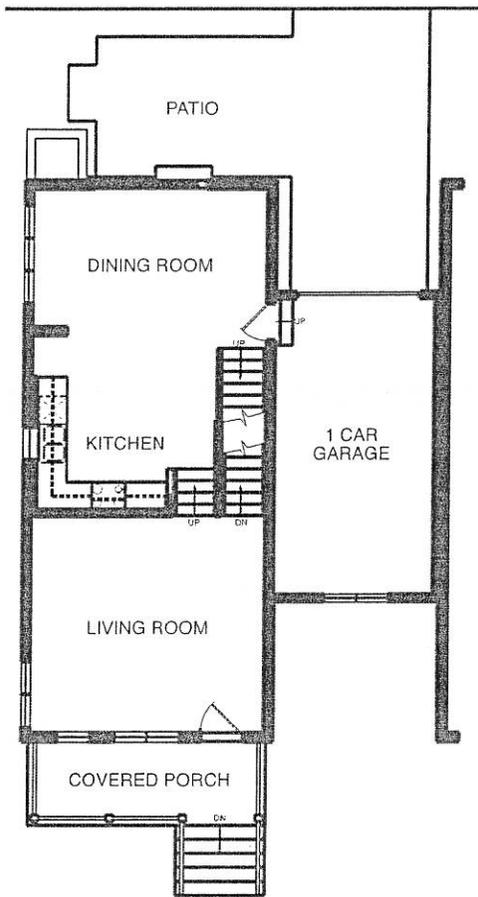
Second Floor



Basement





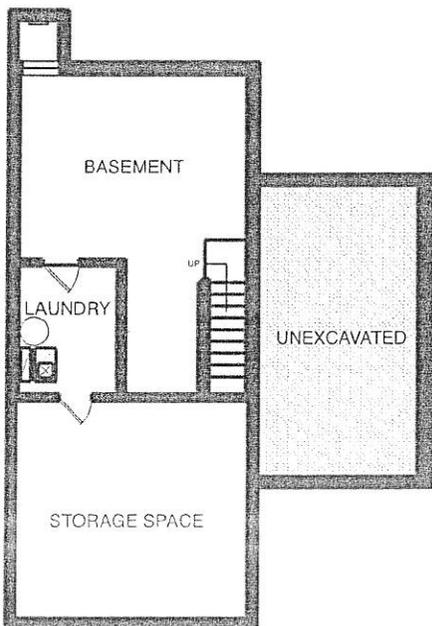


First Floor

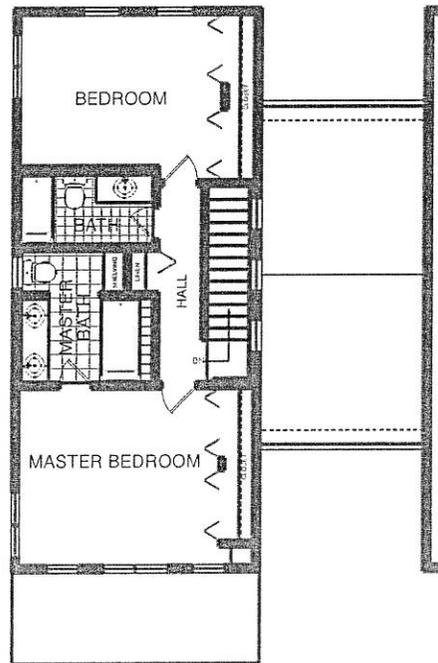
dining room — 13'3" x 9'10"  
 kitchen — 9'5" x 12'6"  
 living room — 16'10" x 15'6"  
 1 car garage — 11'8" x 21'2"

bedroom — 14'9" x 10'10"  
 master bedroom — 14'8" x 12'7"

basement — 16'4" x 13'1"  
 storage space — 16'8" x 15'5"



Basement



Second Floor

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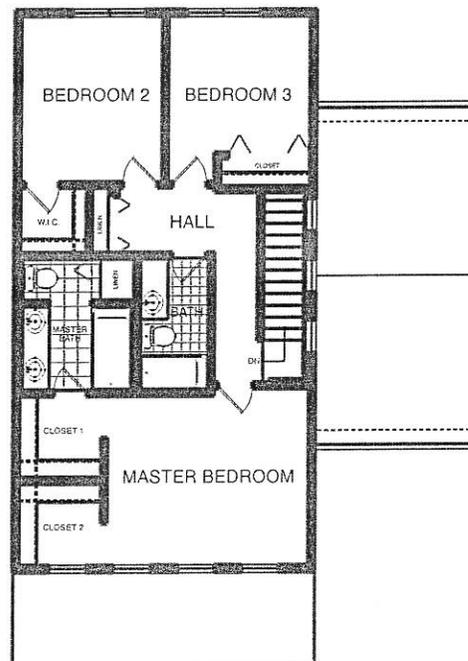
First Floor



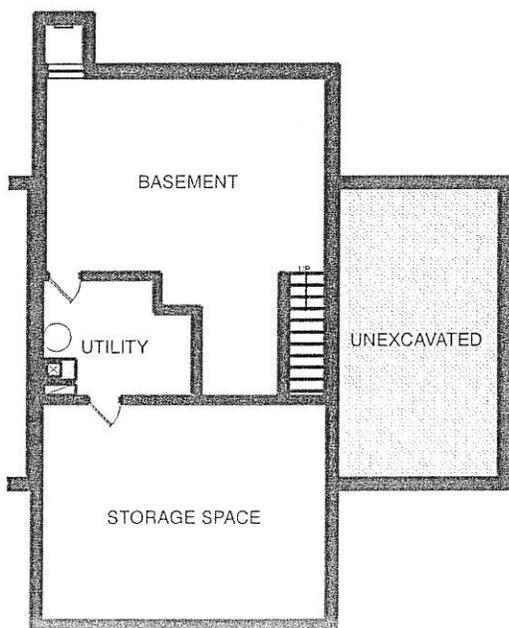
dining room — 17'0" x 9'10"  
 kitchen — 13'4" x 12'6"  
 living room — 20'10" x 15'6"  
 1 car garage — 11'8" x 21'2"

bedroom 2 — 10'4" x 11'10"  
 bedroom 3 — 10'5" x 9'10"  
 master bedroom — 14'2" x 12'0"

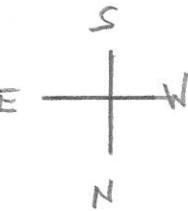
basement — 20'3" x 13'11"  
 storage space — 20'8" x 15'5"



Second Floor



Basement



ALLEY



SIDEWALK

STREET