

**Memorandum
Community Economic Development Department**



To: Thomas Thomas, City Manager
Subject: Daiquiri Factory Development Agreement
Date: March 18, 2015

Mr. Kyle Peters, owner and operator of the Daiquiri Factory, a nightclub located at 1809 2nd Avenue in Downtown Rock Island, Illinois, has requested permission from the City to construct an expansion to the existing deck located on the adjacent parcel, which is owned by the City and used as a parking lot.

The City previously entered into an agreement in 2007 with Mr. Peters where he constructed the deck that currently exists on the site. That deck has proven to be asset to both the business and the City. The proposed deck expansion will result in the necessary removal of four parking spaces; however, Mr. Peters indicates that the proposed deck expansion will provide the additional business space necessary to increase hours of operation and enable the creation of a minimum of three new jobs.

Per Council direction at the March 2, 2015 meeting, CED staff mailed approximately 70 notification letters of the proposal to all physical addresses within 250 feet of the Daiquiri Factory. As of March 18, 2015, CED received only one response; there was no objection to the proposal.

Given the benefits to both the business owner and the City, CED staff recommends approval the attached development agreement permitting use of City-owned property for the construction of the proposed deck expansion.

RECOMMENDATION:

Approve the development agreement and authorize the City Manager to execute the contract documents.

Submitted by: Jeffery A. Eder, Assistant City Manager/CED Director
Ben Griffith, Planning and Development Administrator
Brandy Howe, AICP, Urban Planner

Approved by: Thomas Thomas, City Manager

**CITY OF ROCK ISLAND
DEVELOPMENT AGREEMENT
DAIQUARI FACTORY**

THIS AGREEMENT, entered into this _____ day of March 2015 by and between the City of Rock Island (City), a municipality under the laws of the State of Illinois, and Mr. Kyle Peters (Developer), owner and operator of the Daiquiri Factory, a business in downtown Rock Island;

WHEREAS, Mr. Kyle Peters, owner of Daiquiri Factory, a nightclub located at 1809 2nd Avenue in Downtown Rock Island, Illinois, has requested permission from the City of Rock Island to construct an expansion to an existing deck located on the adjacent parcel (Parcel 09-6404) and connecting to the structure at 1809 2nd Avenue; and

WHEREAS, the City of Rock Island is the owner of Parcel 09-6404 (subject site), and had previously entered into an agreement in 2007 with the Developer to construct a similar, smaller deck on the subject site adjacent to and connecting to the structure at 1809 2nd Avenue, and such deck has been an asset to the Daiquiri Factory and such agreement has been amicably maintained between the City and the Developer; and

WHEREAS, the proposed deck expansion would be constructed on the public property commonly identified as the southeast corner of city parking lot being legally described as West 20 feet Sublot 17 and All Sublots 18, 19, 20, 21 and 22 of Block 2 of the Spencer and Case Addition to the City of Rock, Rock Island County, State of Illinois; and

WHEREAS, the City currently operates the subject property as a public parking lot in downtown Rock Island and the proposed deck expansion will result in the necessary removal and replacement of four parking spaces, including handicapped accessible spaces; and

WHEREAS, the Developer is requesting the proposed deck expansion to provide business space that will increase the business hours of operation and enable the creation of a minimum of three new jobs; and

WHEREAS, this Agreement is entered into for the purpose of setting forth and memorializing for the parties, the understandings of the parties concerning the construction of the proposed deck expansion and the conditions imposed upon the continued use of the subject site by the Developer;

NOW, THEREFORE, IT IS HEREIN MUTUALLY AGREED, the City hereby grants permission to the Developer to construct and make use of a deck structure on and over public property located at the southeast corner of 2nd Avenue and 18th Street. This Agreement is subject to the following terms and conditions:

1. **Construction and Permitting.** Complete plans and specifications shall be submitted by the Developer and shall be approved by the Chief Building Official and Fire Marshal and all necessary permits shall be obtained by the Developer prior to commencing construction. Subsequent alterations to the structure or appearance of the deck shall be considered through an amendment to this Agreement.

2. **Permission.** The Developer shall submit to the City of Rock Island Community and Development Department a letter of agreement demonstrating that he has the permission of the owner of the property at 1809^{2nd} Avenue to undertake construction of the deck as it pertains to the effect on and attachment to the owner's property.
3. **Use of Site.** The Developer hereby agrees that the deck will be used primarily as a seating area for patrons of the business during normal hours of operation which refers to the operating schedule of the business. The Developer hereby agrees that no amplified music or live music will be played on the deck except on occasions in which a special permit from the City has been obtained.
4. **Maintenance.** The Developer hereby agrees to maintain the deck in sound structural and visual condition and further agrees to comply with any and all applicable codes, ordinances, rules and regulations regarding the construction and use of the deck.
5. **Term of Agreement.** The initial term of this Agreement shall be for a period of ten years commencing on the Effective Date. At the end of the Term of Agreement, the Developer may request an extension that shall be approved by City Council, or the Developer shall remove the deck and restore the public property to a condition like that which existed before Developer's use.
6. **Insurance.** The Developer hereby agrees to provide liability insurance coverage at its own expense with the City named as an additional insured in an amount of not less than \$1,000,000 per occurrence. The Developer agrees to provide the City with a certificate of insurance which names the City as an additional insured and to keep said insurance in full force and effect throughout the term of this Agreement. The Developer further agrees at all times to indemnify, save and hold harmless the City against any and all loses, costs, damages, or expenses arising out of or from the use of the City's property, including the deck area, by the Developer or its patrons, which causes or may cause any accident or other occurrence or which causes injury to any person or property.
7. **Default.** In the event of a default under this Agreement, the City shall provide written notice to the Developer of the nature of the default. Said notice shall provide a specific time in which the default shall be corrected. If the Developer fails to correct the default within the time as specified by the City, then the City, at its sole discretion can declare this Agreement null and void and take any and all appropriate steps to cure the default, including, but not limited to, removal of the deck. Any costs or expenses incurred by the City, including reasonable attorney's fees, in enforcing this Agreement or curing said default, shall be paid by Developer.
8. **Governance.** This Agreement shall be governed and enforced in accordance with the laws of the State of Illinois and the jurisdiction and venue shall be Rock Island County, Illinois.

DEVELOPER

CITY

Kyle Peters, Owner and Operator
Daiquiri Factory

Thomas Thomas, City Manager

ATTEST

Aleisha Patchin, City Clerk



1809 Second Ave Rock Island, IL 61201 309-283-1809

September 2, 2014

To: The Mayor and City Council of Rock Island

From: Kyle Peters

Dear Sirs and Madams:

As you are aware the Daiquiri Factory would like to build an expansion onto our current deck in its existing location. Expanding the deck will be a significant financial investment into the downtown. We believe the deck expansion can be a great asset to the Daiquiri Factory, solidifies our commitment to Rock Island, and also promotes the idea of Rock Island as a great place to socialize and spend the day.

Curb Appeal

The west side of Daiquiri Factory is in the heart of our downtown. When we constructed the original deck in 2007 it changed the perception of the west side. Now that 7 years have gone by, the sticker shock has decreased. The 15 different tuck point jobs on the west wall are showing in 15 shades. Weeds and random vegetation grow along the side of the building. If the city will partner with Daiquiri Factory on this project we can give the west side of the building extraordinary curb appeal. Please see attached photos from 2004 until present. We have come along way, but we are not at the finish line yet.

Food

Daiquiri Factory will add a food menu. With increasing our operating hours, we feel that a food option will assist immensely in generating an earlier crowd. Attached is a sample menu of what we plan on serving.

Increase Hours of Operation & Job Creation

Minimally we would like to use the deck following our current operating hours (weather permitting): Tuesday thru Saturday 5:00 P.M. to 3:00 A.M. Then on holidays and special events increase the deck operating hours. We believe with the expansion of the deck it would allow us to open earlier on Friday and Saturday's. The deck expansion will create a minimum of 3 new jobs. Jobs created would include table servers, bartenders, and deck supervisor. By increasing operating hours and creating new jobs, it demonstrates growth in the downtown. Activity breeds Activity!

A Deck for All Seasons (or at least 3 out of 4)

Obviously a deck isn't going to work in the winter, but we would like to use it as much as possible throughout the year. Our plan is to use decorative heaters for the cooler months, allowing us to use it during early spring and fall.

Thank you for taking the time to consider my proposal. I look forward to working with the City of Rock Island towards our common goal of a new and revitalized downtown.

Sincerely,

Kyle Peters



1809 Second Ave Rock Island, IL 61201 309-283-1809

Deck Expansion 2014

Benefits of deck expansion

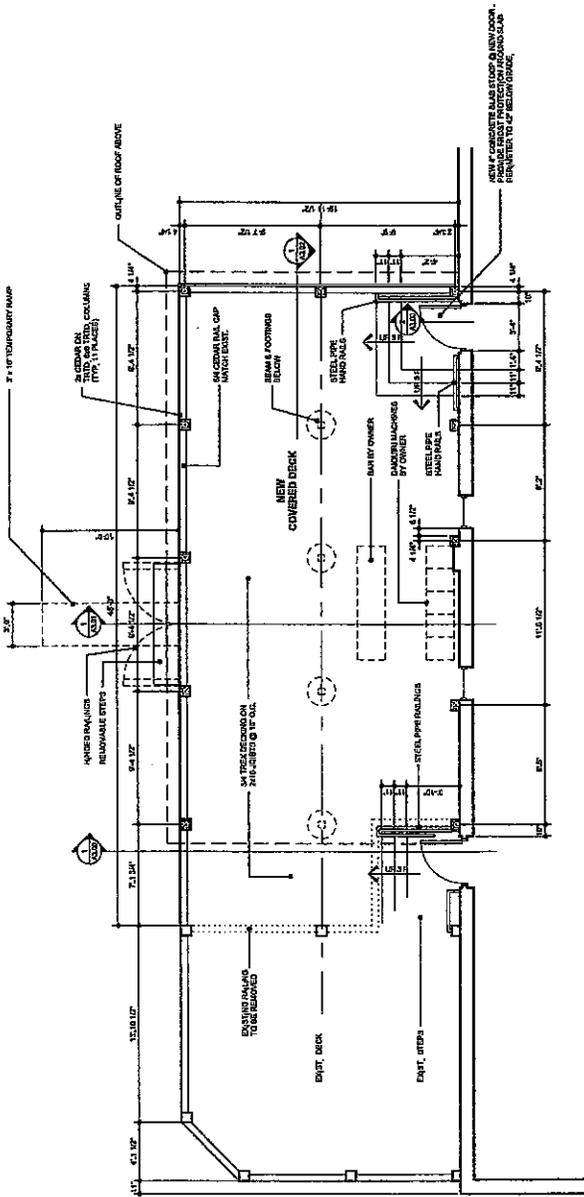
1. IMAGE!! - Curb Appeal (please see attached photos from 2004 & 2014)
2. Added space increases potential for more customers, creates additional revenue, resulting in more sales tax revenue for City.
3. Job Creation – One position three days a week, eight hours a day serving.
4. Job Creation - One position three days a week, eight hours a day waiting tables.
5. Job Creation – One position three days a week, five hours a day deck supervisor.
6. Increase operating hours (Potential sales & tax revenue increased.)
7. One of a kind – There is nothing like this in the QC market.
8. Visibility of customer's downtown Rock Island.
9. Compliments the future vision of Rock Island proposed downtown plan.
10. Maximize the potential options that a corner commercial building has to offer.
11. Add value to the image downtown Rock Island is striving for.
12. Increase activity during peak times. Activity breeds activity.
13. Eliminates cruising through parking lot F at night.
14. Creates a positive environment in a high risk area.
15. A deterrent to illegal activity that currently occurs in this area.
16. Have the option to work with a food provider.
17. Increase store front visibility.
18. CHANGE!! (Change equals Growth)
19. The District cannot become stagnant, especially considering the growth and improvements of other entertainment zones in neighboring cities.
20. Adds a competitive edge to The District and furthers the concept of Rock Island as a hip, progressive community.

Drawbacks of deck expansion

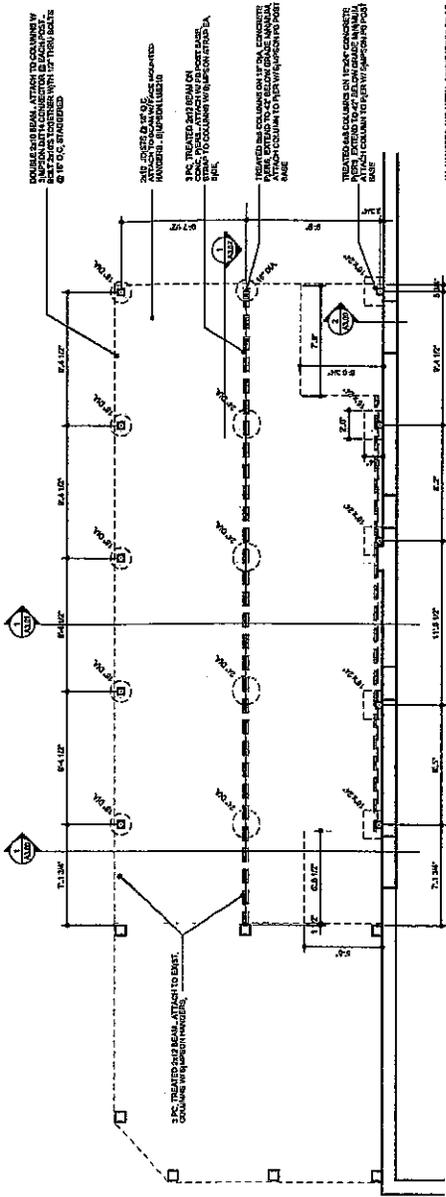
- 1) Easternmost pass-through lane on portion of Parking Lot F would be removed.
- 2) Construction may temporarily impact number of parking spaces.

Concerns if deck is NOT expanded

1. Sustainability issues for the next ten years.
2. No change to the image of downtown Rock Island.
3. Stagnation and negative perception of The District
4. Possible hit and run (Use parking bumpers.)
5. "Cruising" by non-patrons during peak hours continues. (This presents safety concerns)



DECK FLOOR PLAN
SCALE 1/4" = 1'-0"



FOUNDATION/FRAMING PLAN
SCALE 1/4" = 1'-0"

NOTE: SEE PLAN ATTACHED TO CONCRETE FOUNDATION FOR CONNECTIONS TO EACH FOOTING. ALL FOOTINGS TO BE CONCRETE WITH 4\"/>

THE JOISTS IN THE DECK WHICH ARE TO BE REMOVED ARE MARKED WITH AN 'X' IN CIRCLES. THE JOISTS TO REMAIN ARE MARKED WITH A '0' IN CIRCLES. THE JOISTS TO BE REMOVED ARE TO BE REMOVED TO ACCORDANCE WITH THE CONSTRUCTION PLAN.

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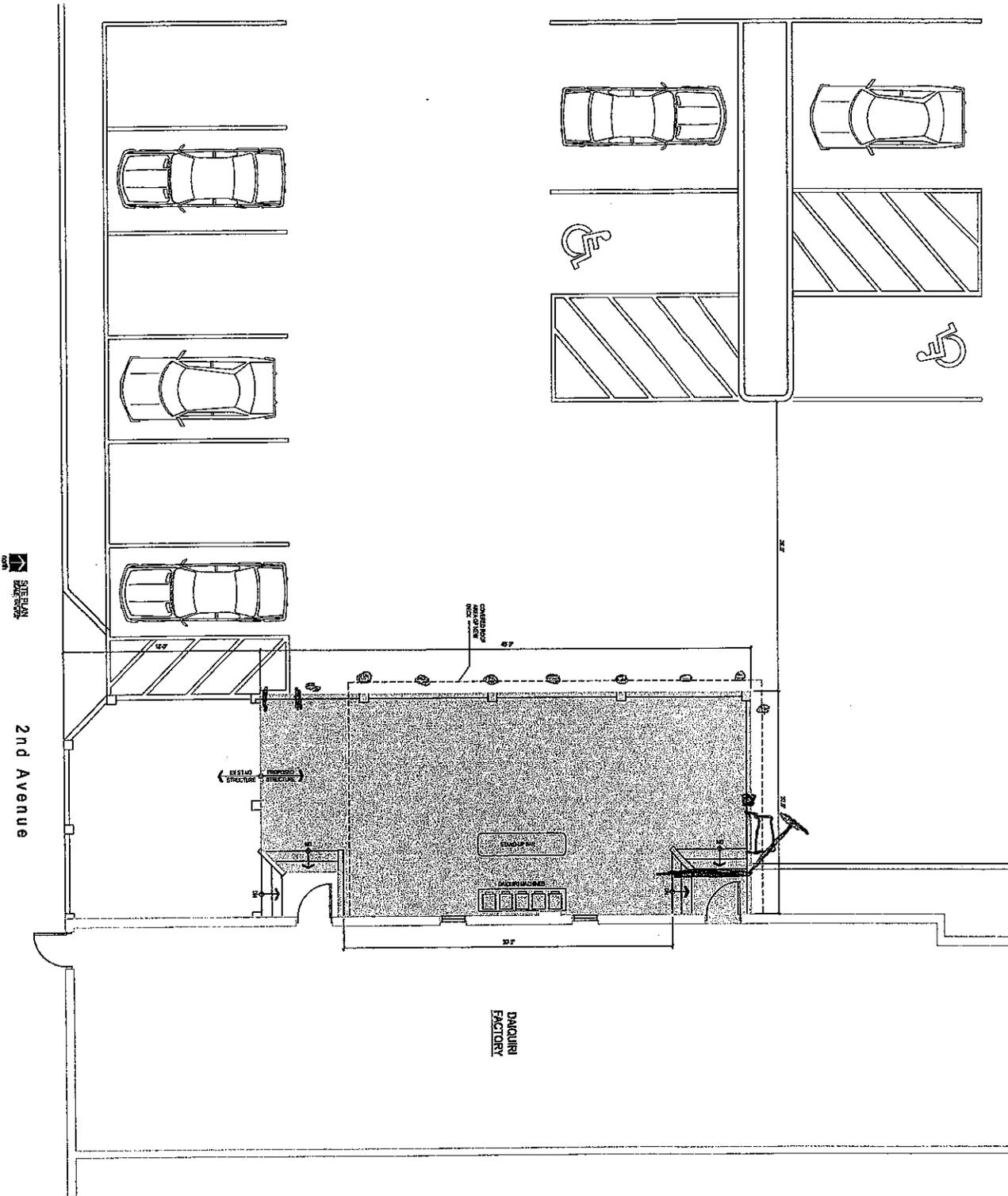
STEEL PIPE HAND RAILS TO BE REMOVED TO ACCORDANCE WITH THE CONSTRUCTION PLAN.

TREATED LUMBER SHALL BE ATTACHED TO EACH COLUMN WITH AN ANCHOR BOLT TO EACH COLUMN TO BE REMOVED TO ACCORDANCE WITH THE CONSTRUCTION PLAN.

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ALL MATERIALS AND METHODS OF CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CONSTRUCTION PLAN. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AUTHORITY. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AUTHORITY.

18th Street



A1	DATE: 5-15-14	SCALE: 1/4" = 1'-0"	REVISIONS & ISSUES TABLE NUMBER	<p>SITE PLAN COVERED DECK ADDITION FOR DAIQUIRI FACTORY ROCK ISLAND, ILLINOIS</p>		<p>TMC DRAWING SERVICES, INC. 1100 PINEWOOD DRIVE, SUITE 100 ROCK ISLAND, ILLINOIS 61201 TEL: 309.399.1100 WWW.TMCDRAWING.COM</p>	<p>PROJECT NO. 14007</p>
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March 10, 2015

NOTICE TO INTERESTED BUSINESS OWNERS & RESIDENTS
City Council to decide whether or not to allow deck expansion

Dear Downtown Business Owners and Residents:

Mr. Kyle Peters, owner of the Daiquiri Factory at 1809 - 2nd Avenue, has requested permission from the Rock Island City Council to enlarge the outdoor deck of his business. This will result in the elimination of four (4) parking spaces in the adjacent parking lot (City-owned Lot F).

City Council is seeking public comment and input regarding this project prior to making a decision at their March 23, 2015 meeting.

Comments regarding this request should be directed to:

A handwritten signature in black ink that reads 'Ben Griffith'.

Ben Griffith
City of Rock Island
Planning & Redevelopment Division
1528 - 3rd Avenue, Second Floor
Rock Island, Illinois 61201
(309) 732-2900
e-mail: griffith.ben@rigov.org

