

**Memorandum  
Community and Economic Development**

**To:** Thomas Thomas, City Manager  
**Subject:** Star Block & 1819 2<sup>nd</sup> Ave  
**Date:** October 27, 2015



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CED staff has been working with GROWTH on the Star Block project along with the owner of the property at 1819 2<sup>nd</sup> Avenue to address issues related to building stabilization and the creation of additional parking located in the rear of 1815 and 1819 2<sup>nd</sup> Avenue. The CED department prepared the attached development agreement with a maximum of \$75,000 to address the issue.

**RECOMMENDATION:**

The Community and Economic Development Department recommends that the Council approve the development agreement with Growth, allowing minor attorney modifications and authorize its execution by the City Manager.

**Submitted by:** Jeffery A. Eder, Assistant City Manager / Community and Economic Development Director

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

Redevelopment Agreement  
Health & Safety

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

WHEREAS, the GROWTH intends develop a new multi-unit mixed use development known as "Star Block" within the Locks Redevelopment Project Area (the "Locks TIF") as part of the implementation of the Locks Plan, and;

WHEREAS, it is in the best interest of the City to support development within the Locks 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. GROWTH has acquire the real property known as the Star Block (1821-1829 2<sup>nd</sup> Avenue, and will develop a mixed use development which shall include 22 residential units and first floor market rate lease commercial space (the "Project").
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 \$4.5 million.
3. GROWTH shall commence work on the Project no later than January 2016 and the Project completed and all units ready for occupancy no later than December 31, 2017. 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 GROWTH at his address of such intention not less than fourteen (14) days prior to the desired termination date.
4. The City shall provide economic incentive to the GROWTH in an amount not to exceed Seventy-Five Thousand Dollars and 00/100 (\$75,000) to be used to reimburse the GROWTH for eligible Project costs, with said contribution derived from the funds in the Special Tax Allocation Fund for the Locks TIF. The funds are to be used to address building stabilization between the Star Block property and 1819 2<sup>nd</sup> Avenue building and creation of additional parking. If the Project does not proceed as contemplated by this Agreement, all funds contributed by the City to the GROWTH shall be paid back to the City not less than fourteen (14) days following GROWTH's receipt of written notice from the City. This

incentive was derived from a request to address health and safety issues related to building stabilization and creation of additional parking.

5. Prior to the payment of the economic incentives provided for herein by the City to GROWTH, GROWTH shall, not less than thirty (30) days prior to the payment dates set forth above, provide the City with documentation evidencing the expenditure of eligible redevelopment project costs, as defined in the Illinois Tax Increment Allocation Act (65 ILCS 5/11-74.4-1 et seq.), in an amount in excess of the payment to be received. Such documentation shall include closing statements, paid invoices, receipts, cancelled checks, sworn statements, lien waivers, engineer's certificates, or other such documentation demonstrating the payment of eligible redevelopment project costs by the GROWTH.
6. To the extent required by law, GROWTH 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 GROWTH 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 GROWTH's or the City's control and not resulting from GROWTH 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 GROWTH are fully assignable by means of written notice to the City, provided that no assignment shall be deemed to release GROWTH of its obligations to the City under this Agreement unless the written consent of the City to release of the GROWTH 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 GROWTH:           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

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

Rock Island Economic Growth  
Corporation

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

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

ATTEST:

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Aleisha Patchin, City Clerk



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

July 16, 2015

Jeff Eder  
Assistant City Manager & Community Economic Development Director  
1528 3<sup>rd</sup> Avenue  
Rock Island, IL 61201

Dear Jeff,

On behalf of the property owner and at the City's request, Rock Island Economic Growth Corporation is requesting funds to complete building stabilization and creation of additional parking located in the rear of 1815 and 1819 2<sup>nd</sup> Avenue, downtown Rock Island.

Funding of this request will address health and safety issues related to building stabilization and the creation of additional parking. In 2014, the City provided emergency funds to Rock Island Economic Growth Corporation to assist the property owner in demolishing an unstable wall that had serious risks of putting the public's health and safety in jeopardy.

Now, in 2015, an option has been prepared for Council's consideration to complete the stabilization project that started last year:

- Demolition of entire wall connecting 1819 2<sup>nd</sup> Avenue and Star Block in the amount of \$73,361.

GROWTH continues to partner with the City in creating a livable, sustainable downtown community. With the creation of downtown's Transit Oriented Development (TOD), downtown residents utilize this alley more than ever before as means to connect to area business and commerce. Long-term planning is focused on TOD, promoting the concept of sustainability by utilizing the community's existing assets to allow residents to live closer to employment, lower transportation costs, and promote health and wellness.

We appreciate our continued partnership with the City of Rock Island. Please feel free to contact me if you need anything further. As always, thank you for your support.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Hollenback", written over a white background.

Brian Hollenback  
President