

**Memorandum
Community and Economic Development**

To: Thomas Thomas, City Manager
Subject: Bridges Catering – Development Agreement
Date: March 31, 2016



Bridges Catering has negotiated the purchase of the Stern Center from Eagles Nest of the QC, LLC and will be making needed renovations to the property for a total investment of approximately \$1.3 million dollars.

In order to make this investment viable, Bridges Catering is requesting assistance from the City in the amount of \$600,000.00 from the Downtown TIF.

Payments from the TIF are scheduled to be made:

Upon closing of the purchase of the property and documentation presented to the City of said closing - \$300,000.00

Upon substantial completion of the renovations - \$300,000.00

RECOMMENDATION:

The Community and Economic Development Department recommends that City Council suspend the rules and adopt ordinance _____, a development agreement with Bridges Catering, subject to minor attorney modifications, and authorize execution by the City Manager.

Submitted by: Jeffery A. Eder, Assistant City Manager / CED Director
Bret Gardella, Economic Development Manager

Approved by: Thomas Thomas, City Manager

CITY OF ROCK ISLAND

ORDINANCE NO. _____-2016

**AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF THE
REDEVELOPMENT AGREEMENT BY AND BETWEEN BRIDGES CATERING WEH
AND THE CITY OF ROCK ISLAND, ROCK ISLAND COUNTY, ILLINOIS**

WHEREAS, Bridges Catering WEH (the “Developer”) desires to enter into a redevelopment agreement (“Redevelopment Agreement”) with the City of Rock Island, Rock Island County, Illinois (the “City”) for purposes of redeveloping of a portion of the Downtown Redevelopment Project Area (the “Redevelopment Area”) as a commercial business (the “Project”); and

WHEREAS, the Corporate Authorities of the City find it is in the best interests of the City to enter into the Development 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 Developer 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 the 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 the 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 April _____, 2016.

Thomas Thomas
CITY MANAGER, CITY OF ROCK ISLAND

ATTEST:

Aleisha Patchin
CITY CLERK

EXHIBIT "A"

REDEVELOPMENT AGREEMENT

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT is entered into this ____ day of March, 2016 by and between Bridges Catering WEH ("Bridges") and THE CITY OF ROCK ISLAND, ILLINOIS, an Illinois Municipal Corporation ("City").

WHEREAS, Bridges intends to renovate and redevelop a property into a commercial business as part of the implementation of the Downtown TIF Plan, and;

WHEREAS, it is the intent of the City to support development within the Downtown TIF;

NOW THEREFORE, the parties, in exchange for the promises herein contained the receipt and sufficiency of which are hereby acknowledged agree as follows:

1. Bridges intends to purchase, renovate and expand their business in the building currently known as the Stern Center located at 1721 3rd Avenue with the adjoining parking lot located at 1709 3rd Avenue. In support of this effort the City agrees to contribute cash to Bridges in the amount of Six Hundred Thousand Dollars and 00/100 (\$600,000.00) to be used to support the renovation and redevelopment, with said contribution derived from Tax Increment Finance (TIF) revenues, so long as Bridges planned development qualifies for the TIF. City agrees to pay 50% (\$300,000.00) of the Six Hundred Thousand Dollars upon receipt of documentation showing transfer of the property ownership to Bridges and 50% (\$300,000.00) upon substantial completion of the renovations. If the project does not proceed as contemplated by this redevelopment agreement, the Six Hundred Thousand Dollars and 00/100 (\$600,000.00) contributed by the City shall be paid back to the City.
2. This redevelopment agreement is contingent upon Bridges entering into a purchase agreement with Eagles Nest of the QC, LLC or their designated agent for the sale of the properties located at 1721 and 1709 3rd Avenue (PIN #'s 0735204015 & 0735204014) and closing on said purchase within 90 days from the signing of this redevelopment agreement. In the event that the closing does not occur on the above purchase agreement within the specified time the City of Rock Island shall be released from any obligations under this redevelopment agreement.
3. Bridges 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 of TIF funds under 65 ILCS 5/1-74.4. Prior to the release of said funds, a representative from the City and Bridges shall meet and confer on the use of the funds.
4. Bridges hereby acknowledges that use of City funds requires compliance with the Illinois Prevailing Wage Act (820 ILCS 1130) as amended.

5. This Redevelopment Agreement shall be governed and construed in accordance with the laws of the State of Illinois with jurisdiction and venue in Rock Island County.
6. In the event of a default under this Redevelopment 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 Redevelopment Agreement, the non-defaulting party shall have such other equitable rights and remedies as are available at law or in equity.
7. Delays by Bridges 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 Bridges or City's control and not resulting from Bridges 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 Redevelopment Agreement shall be deemed suspended for so long as its extension is prevented or delayed by such cause.
8. Time is of the essence of this Redevelopment Agreement.
9. The rights and obligations of Bridges are fully assignable by means of written notice to the City, provided that no assignment shall be deemed to release Bridges of its obligations to the City under this Redevelopment Agreement unless the consent of the City to release of Bridges obligations is obtained.
10. Either party to this Redevelopment 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 Redevelopment Agreement.
11. If any term or provision of this Redevelopment Agreement is held to be invalid or unenforceable, to any extent, the remainder of this Redevelopment Agreement shall continue to be fully valid and enforceable.
12. Notices, demands, consents, approvals or other instruments required to be permitted by this Redevelopment 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: Bridges Catering WEH
410 River Drive
Princeton, IA 52768
William & Evelyn Healy
William & Debra Healy

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

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

Bridges Catering WEH

Thomas Thomas, City Manager

ATTEST:

Aleisha Patchin, City Clerk