

**Memorandum
Community and Economic Development**

To: Thomas Thomas, City Manager
Subject: **Friendship Manor** – Development Agreement
Date: July 20, 2016



Our partnership with Friendship Manor has paid dividends for both organizations over the years with property development, beautification and job creation.

In order to assist them with their continued growth, they have approached the City for assistance through the 11th Street TIF on tearing down an existing building, building a 24 stall parking structure and beautifying their west property line with screening and landscaping.

They will be starting construction on this project by the fall of 2016 and completing the project no later than fall of 2017.

The City has negotiated a development agreement with Friendship Manor that would provide \$125,000.00 out of the TIF with 50% of the contribution coming in 2016 and the remaining 50% paid out in 2017 upon completion of the project.

RECOMMENDATION:

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

Submitted by: 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
DEVELOPMENT AGREEMENT BY AND BETWEEN FRIENDSHIP MANOR, INC.
AND THE CITY OF ROCK ISLAND, ROCK ISLAND COUNTY, ILLINOIS**

WHEREAS, Friendship Manor (the “Developer”) desires to enter into a development agreement (“Development Agreement”) with the City of Rock Island, Rock Island County, Illinois (the “City”) for purposes of redeveloping certain real property (the “Redevelopment Area”) as an expansion and beautification of their 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 Development Agreement, the City Manager is hereby authorized to execute, and the City Clerk is hereby authorized to attest to, the Development 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 Development 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 Development 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 July _____, 2016.

Dennis E. Pauley
MAYOR, CITY OF ROCK ISLAND

ATTEST:

Aleisha Patchin
CITY CLERK

EXHIBIT "A"

REDEVELOPMENT AGREEMENT

AGREEMENT

THIS AGREEMENT is entered into this 25th day of July, 2016 by and between Friendship Manor, Inc. an Illinois not for profit corporation, ("Friendship") and the City of Rock Island, an Illinois Municipal Corporation ("City").

WHEREAS, Friendship intends to demolish a blighted structure and construct a new parking lot on certain real properties as legally described in Exhibit A attached hereto, and whereas Friendship intends to build aesthetically matching beautification screening along certain real properties as legally described in Exhibit A attached hereto;

WHEREAS, it is the intent of the City to support Friendship in its expansion project to support the creation of jobs, revitalization of the neighborhood and improve the City's property revenue base;

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

1. Friendship agrees as part of their 2016 West Entrance Beautification and Urban Renewal Projects to perform certain improvements to the land including building demolition, site grading and preparation, installation of a 24 vehicle parking structure, adding landscaping beautification to the site and building aesthetically matching beautification screening on the west side property lines of the properties legally described in Exhibit A which is attached hereto. Said demolition and construction shall commence not later than September 1, 2016 and shall be completed no later than December 31, 2017.
2. The City agrees to use TIF funds to assist Friendship in the amount of One Hundred Twenty Five Thousand Dollars (\$125,000.00). The parties agree that the reimbursed funds shall be applied as follows: An amount of up to Ninety Six Thousand Dollars (\$96,000.00) for the demolition of the structure near the Southwest Corner of 21st Avenue and 12th Street (2106 12th St., Parcel #10473-D), for the right-of-way costs, site preparation and construction of the parking structure; and an amount of up to Twenty Nine Thousand Dollars (\$29,000.00) for aesthetically matching beautification screening along the west side property lines of properties 2100 12th St., Parcel #10473, 2106 12th St., Parcel #10473-D, 2108 12th St., Parcel#10473-C, 2112 12th St., Parcel #10473-B and 2116 12th St., Parcel#10473-A.

3. The City agrees to pay the One Hundred Twenty Five Thousand Dollars (\$125,000.00) in three installments:

Installment 1 in the amount of Sixty Two Thousand Five Hundred Dollars (\$62,500.00) – after commencement of demolition of the structure at 2106 12th St., Parcel #10473-D, and

Installment 2 in the amount of Thirty Three Thousand Five Hundred Dollars (\$33,500.00) – upon completion of the parking structure but not prior to January 1, 2017 and

Installment 3 in the amount of Twenty Nine Thousand Dollars (\$29,000.00) – upon completion of the project but not prior to January 1, 2017.

4. Friendship hereby acknowledges that use of TIF funding requires compliance with the Illinois Prevailing Wage Act (820 ILCS 1130).
5. 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.
6. 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.
7. Delays by Friendship or City in performing its 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 Friendship's or City's control and not resulting from Friendship'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.

8. 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.
9. 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.
10. 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 Friendship: President & CEO
 Friendship Manor, Inc.
 1209 21st Avenue
 Rock Island, IL 61201

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

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

Friendship Manor, Inc.

Thomas Thomas, City Manager

Ted Pappas Jr., President & CEO

ATTEST:

Aleisha Patchin, City Clerk

Exhibit A

Certain Real Properties impacted by this agreement:

2100 12th St., Parcel #10473, PIN 1602312027

2106 12th St., Parcel #10473-D, PIN 1602312028

2108 12th St., Parcel #10473-C, PIN 1602312029

2112 12th St., Parcel #10473-B, PIN 1602312030

2116 12th St., Parcel #10473-A, PIN 1602312031