
**MEMORANDUM
COMMUNITY AND ECONOMIC DEVELOPMENT**

TO: John C. Phillips, City Manager

SUBJECT: Request from Renaissance Rock Island

DATE: 7/22/11

Attached is a letter from Brian Hollenback, President of Renaissance Rock Island, requesting city support for two projects, one of which is a building demolition / parking lot construction project on 2nd Avenue.

In June 2009, the properties at 1620, 1622 and 1624 2nd Avenue were donated to the Rock Island Economic Growth Corporation (GROWTH). At that time the intended reuse was for apartments on the upper floors and a retail incubator on the first floor. Unfortunately, in May a serious and major structural failure occurred when a portion of the south wall and roof collapsed. The magnitude of the failure makes it uneconomical to repair so the suggested course of action is to remove the buildings and construct a surface parking lot. The attached letter indicates a budget of \$247,000 to complete this project which includes demolition, fill, construction of a 25 space surface parking lot and associated work on the walls of adjacent property to ensure weather tightness. A parking lot at this location could help support some of the new businesses in this block including Grape Life and the District Theater as well as existing and other downtown establishments. After the demolition and construction work is completed, title to the property will be conveyed to the city. Attached is an agreement regarding the project.

Since this is not budgeted project, it is necessary to make an adjustment to the downtown TIF budget if Council wishes to approve the request. The approved FY12 downtown TIF district budget has an allocation of \$500,000 as match for the transient boat dock grant awarded earlier this year. Based on recent discussions with the project consulting engineer, timing is such that actual construction is not likely to start until summer of next year. While some expenses will be incurred for design, there should be sufficient funds to cover the transient boat dock design and the 2nd Avenue parking lot project. The balance of the matching funds for the transient boat dock can be budgeted in the FY13 downtown TIF district budget.

RECOMMENDATION

Council authorize the City Manager to execute an agreement with the Rock Island Economic Growth Corporation for demolition of structures at 1620/22/24 2nd Avenue and construction of a parking lot on the properties.

SUBMITTED BY: Greg Champagne, Community and Economic Development Director

APPROVED: John C. Phillips, City Manager



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

July 13, 2011

Greg Champagne
CED Director
City of Rock Island
1528 3rd Avenue
Rock Island, IL 61201

Re: Goldman Family Block
Retail Incubator

Dear Greg,

Please accept this letter as Rock Island Economic Growth's formal request to seek TIF funding in support of Goldman Family Block and Retail Incubator activities. As you are aware, these two topics were presented during the July 11th City Council Study Session for Council's review, consideration, and opportunity for asking questions. A detail of the request for each project is below.

REQUEST #1

Removal of 1620, 1622, and 1624 2nd Avenue (Goldman Family Block)

Request: \$247,000 for Demolition and Parking Lot

Considering these buildings in their current condition, it is clear that three structures must come down. GROWTH staff has received a cost estimate from Bush Construction Company for demolition of the unsafe structures. In their place, a new parking lot will be created with 23 regular spaces and 1 accessible space. A budget is attached, as prepared by Bush Construction, along with a conceptual drawing from Shive Hattery for the new lot. It is GROWTH's intent to deed the three properties to the City of Rock Island. The Goldman Family Block remains in the predevelopment stage and the new parking will serve to support new and existing businesses in downtown Rock Island.

Budget:

Demolition	\$ 131,800
Fill	\$ 23,700
Concrete Parking Lot	\$ 64,000
Misc Coping Cap at Shared Wall	\$ 8,000
Misc. Tuckpointing Allowance	\$ 15,000
Landscaping Allowance	\$ 5,000
Total	\$ 247,000

REQUEST #2

Retail Incubator

Request: \$300,000 for Acquisition and Development Costs

GROWTH recently secured site control of the former Martin Title building, located at 1700 2nd Avenue. The building has been vacant for approximately ten years, is on a high profile corner, is in need of façade improvements and is an excellent location for a retail incubator. As you are aware, the retail incubator has been a shared city priority since funding was first allocated through the TIF in 2009.

We are requesting that \$300,000 in TIF funds be directed to GROWTH OR DARI to support the acquisition, build-out, programming, and marketing of the effort. These funds will be applied as follows: purchase price for the structure at 1700 Second Avenue (\$78,000), construction and buildout (\$197,500), programming and marketing for one year (20,000). In addition, we are requesting \$15,000 from the façade program to be directed towards exterior construction and repair. We believe the retail incubator will benefit the entire community by attracting new retail businesses, thereby enhancing our downtown and drawing additional visitors to Rock Island.

Budget

Purchase price	\$ 78,000
Construction & Build-out	\$212,500
Programming & Marketing	\$ 20,000
Total cost:	\$315,000

We will be meeting with the retail advisory committee in the coming weeks to develop an operational plan that will best serve the needs of the community and maximize the potential for the success of the retail incubator.

If you have any questions about either of these efforts – or would like further information please do not hesitate to contact me or a member of our Team. Thank you for your consideration.

Sincerely,



Brian Hollenback
President



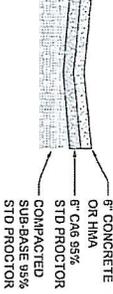
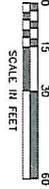
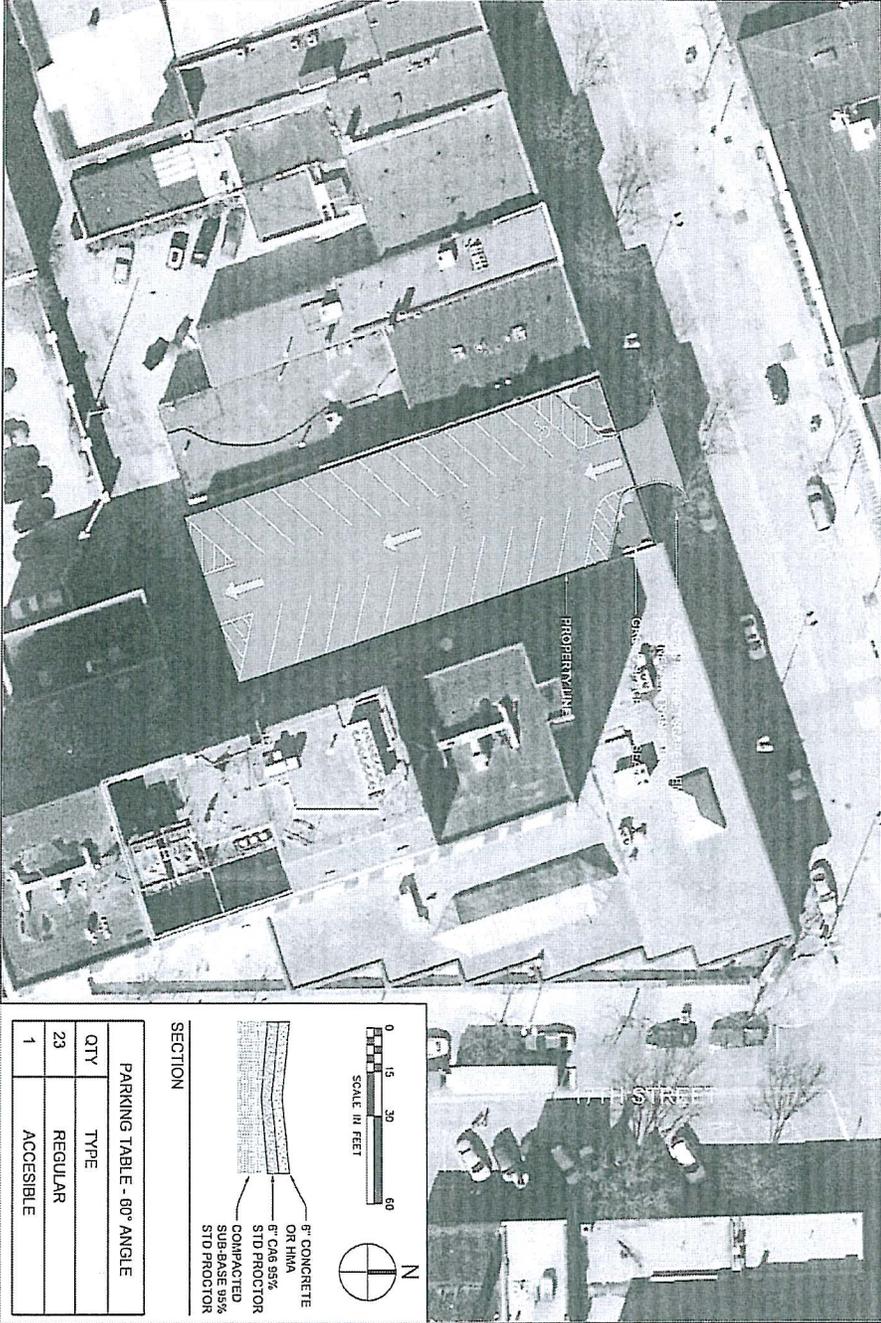
Bush Construction Company, Inc.

- o Finishes are per specifications prepared by Southwest Design for original Goldman renovation. No allowances included for Paragon finishes currently used at Jackson Square.
- Alternate 01 – Building Demolition & Parking Lot
 - o Completely remove buildings 1620, 1622, and 1624
 - o Disconnect and cap existing utilities
 - o Install coping cap along East shared wall of building 1624
 - o Misc. tuck-pointing along East shared wall of building 1624 and West shared wall of building 1620
 - o Landscaping as shown on Shive Hattery's conceptual drawing SK-01, dated 06.07.11
 - o Install 6" concrete parking lot as shown on Shive Hattery's conceptual drawing SK-01, dated 06.07.11
 - Approximately 9,000 square feet
 - 6" C&G granular subbase
 - Curb along perimeter of lot
 - Concrete approach from 2nd avenue
 - o Allowances
 - Misc. Tuckpointing: \$15,000
 - Landscaping: \$5,000
 - o Does not include utility relocation, hazardous material removal or environmental study
- Alternate 02 – Metal Panel
 - o Furnish and install metal panels at West shared wall, above building 1610-1/2.
 - The brick at this area appears to be greatly deteriorated
 - Flush metal panels – approximately 15' x 60' area
 - Include fluid air barrier behind metal wall panels

Thank you for allowing Bush Construction Company to provide a budget proposal for your upcoming project. Please do not hesitate to contact us with questions or comments.

Sincerely,

Wayne Gordon
Project Engineer
Bush Construction



SECTION

PARKING TABLE - 00° ANGLE	
QTY	TYPE
23	REGULAR
1	ACCESSIBLE

SHIVEHATTERY
 ARCHITECTURE-ENGINEERING
 (over) Reno | Nevada
<http://www.shivehattery.com>
 LICENSE FROM NUMBER: 184-000214

SK-01

AGREEMENT

THIS AGREEMENT is entered into this 25th day of July, 2011 by and between THE ROCK ISLAND ECONOMIC GROWTH CORPORATION ("Developer") and the CITY OF ROCK ISLAND, an Illinois Municipal Corporation ("City").

WHEREAS, Developer intends to demolish the buildings and construct a parking lot ("Project") on certain real property ("Property") as legally described in Exhibit A attached hereto and commonly referred to as 1620, 1622 and 1624 2nd Avenue in the City; and,

WHEREAS, it is the intent of the City to support said demolition and construction in order to enhance employment, commerce and activity in 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. Developer agrees to engage a qualified contractor acceptable to the city to undertake demolition of the structures on the Property and construct a 25 space surface parking lot thereon.
2. Developer agrees to commence work on the Property not later than August 1, 2011 and have all improvements completed not later than December 31, 2011.
3. City agrees to contribute to the Developer the sum of up to Two Hundred Forty Seven Thousand Dollars (\$247,000) to be used to support the Project with said contribution derived from Tax Increment Finance (TIF) revenues. Developer 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. Payment of said funds shall be made based on the presentation of invoices for work performed by the contractor for work completed. Said work shall be accepted by the city prior to payment.
4. Developer hereby agrees that upon completion on the Project and acceptance by the city, Developer will convey title to the Property to the city for the price of \$1 (One Dollar). The Property shall be free of any and all liens, encumbrances or attachments and conveyance shall be in conformance with the normal and customary procedures for the transfer of real estate in Rock Island County, Illinois.

5. Developer agrees to obtain all necessary federal, state and local permits for work on the Property and to construct the project in accordance with all applicable laws, including, but not limited to building codes, subdivision and zoning regulations and other applicable laws.
6. Developer hereby acknowledges that use of City funds requires compliance with the Illinois Prevailing Wage Act (820 ILCS 1130) as amended.
7. This Agreement shall be governed and construed in accordance with the laws of the State of Illinois with jurisdiction and venue 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 the Developer 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 the Developer's or City's control and not resulting from Developer'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.
10. Time is of the essence of this Agreement.
11. The rights and obligations of the Developer are fully assignable by means of written notice to the City, provided that no assignment shall be deemed to release the Developer of its obligations to the City under this Agreement unless the consent of the City to release of the Developer's 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 Developer: Development Association of Rock Island
 120 16 ½ Street
 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

Development Association of Rock
Island

John C. Phillips, City Manager

Brian Hollenback

ATTEST:

Aleshia Patchin, City Clerk

Attachment A

Legal Descriptions for Goldman Block Parcels

1620 Second Avenue
RI-5133

The West Twenty-one (21) feet of the East Forty and one-half (40 ½) feet of Lot Number two (2), in Block Number Thirteen (13), also sometimes known as and called Outlot Six (6) in said Block Thirteen (13), in that part of the City of Rock Island known as and called the Old or Original Town; situated in Rock Island County, Illinois.

1622 Second Avenue
RI-5132

The East Nineteen and one-half (19½) feet of Lot Number Two (2) and the West eight and one-half (8 ½) inches of Lot Number One (1), all in Block Number Thirteen (13), also sometimes known as and called Outlot Five (5) in said Block Thirteen (13); in that part of the City of Rock Island known as and called, the "Old" or "Original Town"; situated in Rock Island County, Illinois.

1624 Second Avenue
RI-5131

The West Twenty (20) feet of Lot Number One (1), in Block Number Thirteen (13), also sometimes known as and called Outlot Four (4) in said Bloc Thirteen (13), in that part of the City of Rock Island known as and called the Old or Original town (excepting and reserving the West Eight and one-half (8½) inches of said premises); situated in Rock Island County, Illinois