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**MEMORANDUM  
COMMUNITY AND ECONOMIC DEVELOPMENT**

**TO: John C. Phillips, City Manager**

**SUBJECT: Special Service Area Ordinance**

**DATE: 9/14/11**

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In December of 2008, the city executed a development agreement with Columbia Park L.L.C. for redevelopment activities at the Quad City Industrial Center property. As part of that agreement, the city issued bonds in the amount of \$1,375,000 with the proceeds paid to the Columbia Park, L.L.C. to be use for activities eligible under the Tax Increment Finance statutes. The transaction was structured to be a loan with the debt service covered by the tax increment generated by development at the property or, if the increment was not sufficient, by levying of a Special Service Area (SSA) tax. The initial loan payment was deferred for three years to allow development to occur that would generate a tax increment. However, over the past three years no tax significant tax increment generating development has occurred so it is now necessary to levy the Special Service Area tax to pay for the debt service. The attached ordinance puts the Special Service Area in place. Note that Columbia L.L.C. agreed to this approach when the agreement was negotiated and executed in 2008.

**RECOMMENDATION**

Council approve the attached ordinance establishing the Columbia Park Special Service Area and Authorizing the City to Levy Taxes to Pay for Services Therein

**SUBMITTED BY:** Greg Champagne, Community and Economic Development Director

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**Approved:** John C. Phillips, City Manager

**ORDINANCE NO. \_\_\_\_\_**

**ORDINANCE ESTABLISHING THE COLUMBIA PARK SPECIAL SERVICE AREA AND AUTHORIZING THE CITY TO LEVY TAXES TO PAY FOR SERVICES THEREIN**

WHEREAS, the City of Rock Island, Illinois did on April 6, 2009 pass Ordinance 029-2009 entitled, "An Ordinance Proposing the Establishment of the Columbia Park Special Service Area in the City of Rock Island, Rock Island County, Illinois; Providing for the City to Levy a Special Ad Valorem Property Tax to Provide Special Municipal Services within the Columbia Park Special Service Area; Calling for a Public Hearing and Providing for Public Notice of the Public Hearing; and Providing For and Concerning Related Matters; and

WHEREAS, did hold a public hearing on May 4, 2009 concerning the establishment of the Columbia Park Special Service Area (the "Columbia Park SSA") and the levy of taxes for the payment of special municipal services relating to the redevelopment and revitalization of the property located therein, including the payment of debt service for bonds issued to pay for such services; and

WHEREAS, notice of the aforementioned public hearing was provided by publication in the Rock Island Argus on April 19, 2009 and by U.S. mail on April 20, 2009 to all persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract of parcel of land lying with the proposed Columbia Park SSA; and

WHEREAS, at the conclusion of 60 days after the adjournment of the public hearing, the City Clerk had not received any petitions signed by at least 51 percent of the electors residing within the proposed Columbia Park SSA and by at least 51 percent of the owners of record within said SSA; and

WHEREAS, in furtherance with the City's objectives to redevelop and revitalize the territory located with the Columbia Park Special Service Area, the City Adopted Ordinances 058-2007, 059-2007 and 60-2007 approving a Tax Increment Financing Redevelopment Plan and Project (the "TIF Plan"), establishing the Columbia Park Redevelopment Project Area (the "TIF Project Area") that includes the Columbia Park SSA, and adopting tax increment financing for the Columbia Park Redevelopment Project Area: and

WHEREAS, in conjunction with implementing the TIF Plan, the City did on December 23, 2008 enter into a Development Agreement with Columbia Park, LLC (the "Development Agreement") that among other things, included the City incurring certain financial obligations; and

WHEREAS, these certain obligations were incurred in the form of a general obligation bond, authorized by Ordinance 025-2009, passed March 23, 2009, and issued in the aggregate amount of \$1,440,000 ("Series 2009C Bonds"); and

WHEREAS, pursuant to Development Agreement, all tax increment generated with the TIF Project Area shall be used to pay \$1,375,000 of the Series 2009C Bonds, with the exception of funds necessary for administering the TIF Plan as specified in said Development Agreement, and

provided that the payments to retire such obligations do not commence until three years of the date of incurring such obligations; and

WHEREAS, the Development Agreement also provides that if there are insufficient funds deposited into the Columbia Park Special Fund to cover the cost of obligations incurred, then City shall issue a Special Service Area Tax (the "Columbia Park SSA Tax") to be levied against the certain property identified in the Development Agreement, in an amount to cover the difference between the amount deposited into the Columbia Park TIF Fund, less administrative expenses and other amounts specified in said Agreement, and the annual amount necessary for the City to pay the cost of the obligations incurred by the City every year until such obligations have been retired, which amounts to a principal amount of \$1,375,000, plus interest, with respect to the Series 2009C Bonds; and

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCK ISLAND, ROCK ISLAND COUNTY, ILLINOIS, AS FOLLOWS:

**Section 1. Findings.** The facts and statements contained in the preambles to this Ordinance are hereby found to be true and correct and are hereby incorporated as part of this Ordinance.

**Section 2. Establishment of Special Service Area.** The Columbia Park Special Service Area, which includes a portion of a parcel of property identified by Rock Island County Parcel I.D. 831101002 and as legally described and delineated on a map attached hereto as Exhibit A (the "Property"), is hereby established.

**Section 3. Purpose of the Special Service Area.** The purpose of the Columbia Park SSA is to offset the costs of the demolition of buildings and other expenses relating to the redevelopment and revitalization of the property located in the Columbia Park SSA.

**Section 4. Special Service Area Tax Levy.** An annual Special Service Area Tax shall be levied against the Property pursuant to the Development Agreement, provided that the tax so levied is levied at a rate not exceeding \$9.7321 per \$100 of equalized assessed value of said Property.

**Section 5. Additional Actions Authorized.** The Mayor, City Manager, City Clerk, City Treasurer, City Attorney and other officials, employees of the City are hereby authorized and directed, on behalf of the City, to take such actions as may be necessary or desirable to carry out the transactions contemplated by and to give full effect to this Ordinance without further act or deed on the part of the City Council.

**Section 6. Severability.** If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

**Section 7. Repealer and Effective Date.** All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this ordinance are repealed to the extent of such conflict. This ordinance shall be in full force and effect immediately upon its adoption and approval, as provided by law.

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Dennis E. Pauley, Mayor

PASSED:

AYES:

APPROVED:

ATTEST:

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Aleisha Patchin, City Clerk

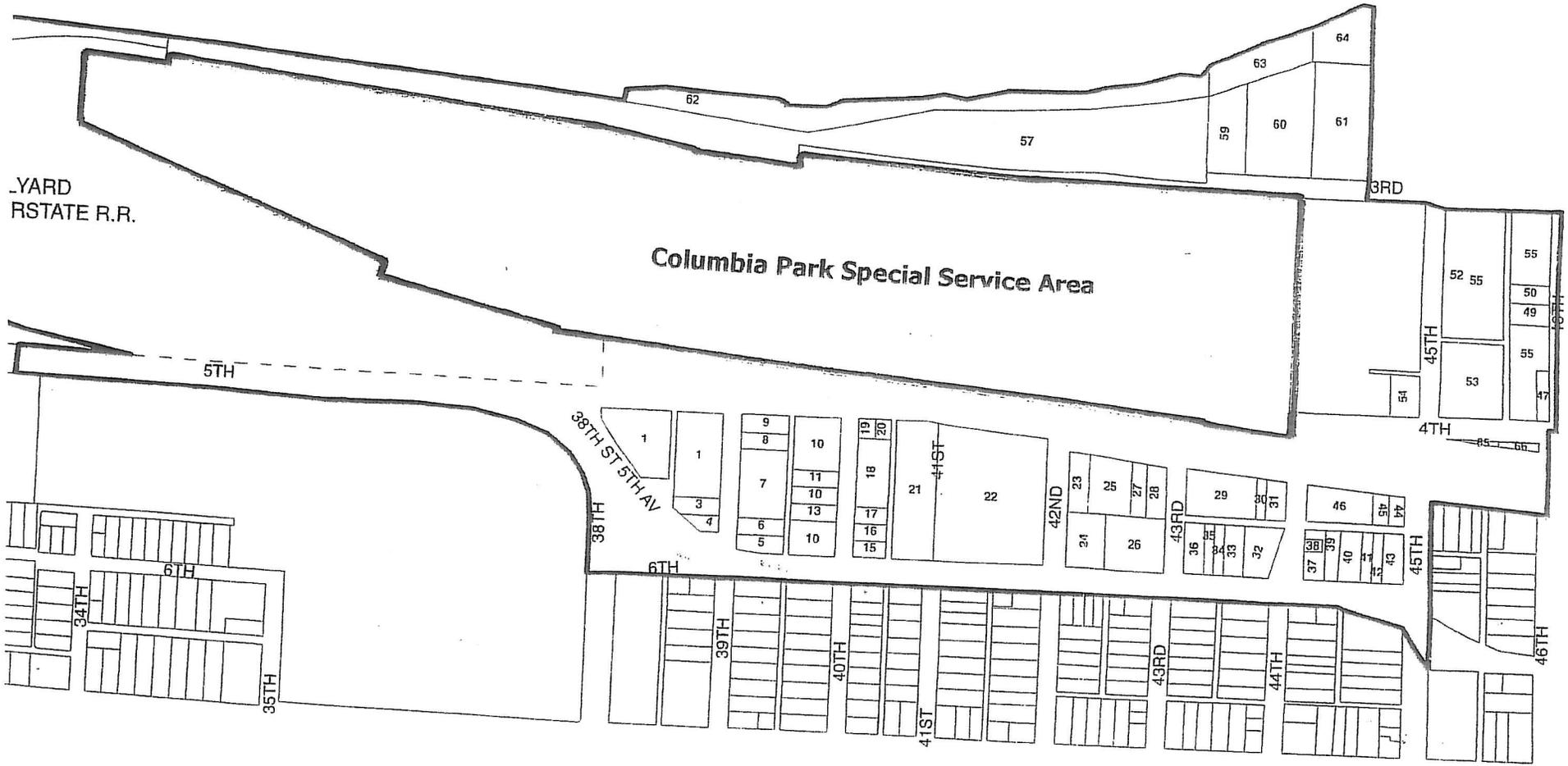
NAYS:

Exhibit A

Columbia Park Special Service Area Legal Description

Beginning at a point in the East line of lot 7 in the Fractional Northwest Quarter (South of Slough) of Section Number 31, Township Number 18 North, Range 1 West of the Fourth Principal Meridian (as said lot is described in and shown on Commissioner's Report and Plat of the Subdivision of said Fractional Quarter Section, recorded in Volume 2, at page 78 thereof, Chancery Record in Circuit Court of said Rock Island County), which point is 165 feet and 1/10 of a foot North, measured along said East line, of an iron stake set in said East line for a monument at the Northeast corner of that certain tract of land in said Lot 7 heretofore condemned and taken for a right of way by the Rock Island and Eastern Illinois Railway Company, now the Davenport, Rock Island and Northwestern Railway Company; thence South 82 degrees 6 feet West, along the Northerly line of land sold and conveyed by the said Charles E. Sharpe and Virgaline Lucy Sharpe, his wife, to the Moline Plow Company, by their certain deed bearing dated the 6<sup>th</sup> day of April, 1910 and recorded in the office of the Recorder of Deeds of said Rock Island County, in Book 151 of Deeds, at page 455 thereof, 669 feet and 5/10ths of a foot to an iron monument; thence South 78 degrees 21 feet West, along said Northerly line of the land sold and conveyed to said Moline Plow Company by the aforesaid, 311 feet to an iron monument set in the East line of land sold and conveyed by said Charles E. Sharpe and Virgaline Lucy Sharpe, his wife, to Chicago, Burlington and Quincy Railroad Company, by their certain deed bearing the 28<sup>th</sup> day of December, 1903, and recorded in said Recorder's Office in Book 134 of Deeds, at page 516 thereof; thence Northerly, along said last hereinabove mentioned East line, to the middle thread of the slough or South branch of the Mississippi River, thence Easterly, upstream, along said middle thread to the point of intersection of said middle thread with the East line of said Lot 7 extended Northerly; and thence Southerly, along said East line of said Lot 7 extended Northerly, as aforesaid, and along said East line of said Lot 7 to the point of beginning; the said point of beginning is also the Northeast corner of that tract of land herein above mentioned as sold and conveyed by the said Charles E. Sharpe and Virgaline Lucy Sharpe, his wife, to said Moline Plow Company by their deed bearing the 6<sup>th</sup> day of April, 1910 and recorded as aforesaid. Beginning at a point in the West line of Lot 6 in the Fractional Quarter (South of Slough) of Section Number 31, Township 18 North, Range Number 1 West of the Fourth Principal Meridian (as said Lot is described in and shown on the Commissioner's report and Plat of Subdivision of said Fractional Quarter Section, recorded in volume 2, t page 78 thereof, Chancery Record in Circuit Court of said Rock Island County), which point is 60 feet North of the point of intersection of said West line with the North line extended West of lot 16, in Block 1 in Sinnet's Addition to said City of Rock Island (according to the Plat of said Addition recorded in the office of the Recorder of said Rock Island County, in Book 56 of Deeds, at page 236 thereof; thence North along said West line of said Lot 6 and said West line extended North, to the south branch or slough of the Mississippi River, sometimes called "Sylvan Water"; thence Easterly, up-stream, along the thread of said branch or slough, to the point of intersection of said thread the East line of the West one-half of said Lot 6 extended Northerly; thence South, along said extension of said

East line and along said East line to a point therein which is 60 feet North of the intersection of said East line with the North line of Lot 1, in Block 1, in said Sinnet's Addition extended East, thence West 275 feet and 55/100ths of a foot to the point of beginning; the East line of the premises hereinabove described is also described as the West line of Out Lot 1 in Sinnet's Addition to said City of Rock Island (as shown by Plat of said Addition recorded in said Recorder's Office in Book 61 of Deeds, at page 148 thereof) and said West line of said Out Lot 1 extended Northerly to the thread of said South branch or slough, and extended South to point 60 feet North and 20 feet East of the Northeast corner of said Block 1, in said Sinnet's Addition; excepting, however, from the premises hereinabove described so much thereof as was conveyed by one Francis M. Sinnet to the Tri-City Railway Company by this certain deed bearing date September 13, 1899, and recorded in said Recorder's Office in Book 109 of Deeds, at page 521 thereof; and further excepting from the premises hereinabove described so much thereof as was conveyed by the Grantors herein to Moline Plow Company by their certain deed bearing date February 12, 1910, and recorded in said Recorder's Office in Book 151 of Deeds, at page 460 thereof. All situated in the County of Rock Island and the State of Illinois.



YARD  
RSTATE R.R.

Columbia Park Special Service Area

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