
**MEMORANDUM
COMMUNITY AND ECONOMIC DEVELOPMENT**

TO: Thomas Thomas, City Manager

SUBJECT: Agreement with Vierbicher

DATE: 12/12/11

Staff recently issued a Request for Qualifications for consultants to perform a market evaluation and development feasibility study for a tract of land at the northeast corner of Interstate 280 and Illinois Route 92. Three firms were selected for interview by a committee consisting of the City Manager, Public Works Director/Assistant City Manager, Community and Economic Development Director, President/COO of Jumer's Casino & Hotel and Vice President of Community and Governmental Relations for RiverStone Group. Vierbicher was the unanimous choice of the committee having had extensive experience working with both public and private sector clients and with assignments of this nature. A proposed agreement is attached.

The attached agreement calls for five steps in completing the project which will identify development opportunities for the site based on market realities. Recall that the City, Jumer's and RiverStone Group are sharing equally in the cost of the study. Promotion of development at this intersection has been identified as a Top Priority by the Mayor and City Council. The study is will be completed by April 2012.

RECOMMENDATION

Council authorize the City Manager to execute an agreement with Vierbicher for a market analysis and development feasibility study.

SUBMITTED BY: Greg Champagne, Community and Economic Development Director

APPROVED: Thomas Thomas, City Manager



December 15, 2011

Greg Champagne
City of Rock Island
1528 3rd Avenue
Rock Island, IL 61202

Re: Proposal to Provide Market Analysis & Feasibility Study
Interstate 280 & Illinois Route 92 Interchange City of Rock Island, IL

Dear Mr. Champagne:

Vierbicher Associates, Inc. (Consultant) is pleased to submit this Agreement to provide a Market Analysis and Feasibility Study to the City of Rock Island (Client).

SCOPE OF SERVICES

The following scope is broken down into five steps to complete a market analysis and feasibility study for the Client, focusing on the Interstate-280 and Illinois Route 92 Interchange.

A. Understanding Community Reality

1. Site and Location Analysis
 - a. Consultant will review background data, existing studies and reports pertaining to the study area and regional economic trends, and work with Client to identify key stakeholders associated with the project.
 - b. Consultant will conduct a site visit, including a meeting with local officials and/or Steering Committee to identify issues and opportunities associated with the site, and to identify top competing sites within the region.
 - c. Consultant will identify issues and opportunities associated with the site, and identify the site's position within the region. Consultant will prepare a contextual analysis including physical condition of site and advantages/disadvantages with respect to particular types of development. Similar information will be gathered for sites presenting the most direct competition to subject site. Analysis will include elements such as customer base, traffic flow, visibility and access.

- d. Consultant planning and engineering staff will review proposed site layout concepts to identify potential issues associated with defined access points, flood plains, wetlands, soil suitability summaries and other documents related to the site's physical characteristics and capacity for development.

B. Economic and Market Analysis

1. Demographic and Economic Profile

- a. Consultant will obtain current market data including demographics, real estate market trends and industry-specific economic indicators to determine impacts from the recent recession and provide information on local market drivers for various economic sectors.
- b. Consultant will define local, regional and tertiary retail trade areas for site. Trade areas will be based on geographic factors, current consumer demand patterns, location of competing retail and commercial nodes and transportation patterns within the region.

2. Stakeholder Engagement

- a. Consultant will conduct ten (10) stakeholder interviews with area businesses, property owners, brokers or developers with knowledge of the area. These interviews will be used to validate the data collected, identify qualitative factors that will influence private sector decision making, and uncover additional competitive strengths, weaknesses or opportunities.

3. Sector Market Assessments

- a. Consultant will create individual market assessments of potential site uses including retail, hospitality and general commercial uses.
 - i. *Retail & Hospitality:* Using reliable secondary data sources, including the US Census, Claritas and Environmental Systems Research Institute (ESRI), demographic and household spending data will be gathered to update previous market figures as well as to quantify potential regional or tertiary traffic demands. Hospitality data will be collected from local and national sources including local hoteliers, convention and visitors' bureaus, the Illinois and Iowa Departments of Tourism and Smith Travel Research.
 - ii. *Commercial:* Reviewing trends for office, industrial and flex space in the market, Consultant will determine development potential at subject site. Based on previously identified industry clusters, the typical site demands from a cost, access and visibility standpoint will be assessed to identify industries which are best suited to development characteristics present in the study area. This element will explore issues such as local industry clusters, industry growth trends and transportation infrastructure needs.

4. Future Market Projections

- a. Consultant will use historic trends and current market data to project near-term demand for retail, hospitality and commercial uses at the subject site. Information gained from stakeholder interviews on tenants or users currently in the market will also be factored into these projections.

- i. *Retail & Hospitality*: Using updated retail data and area population, transportation and commercial development forecasts, and current and historic trends related to household spending patterns, a future supportable square footage of retail space and number of hotel rooms will be identified for Rock Island and the I-280 Interchange area for short and mid-term development.
- ii. *Commercial*: Future commercial space needs will be projected using State and local employment growth in the industries that are identified as potential tenants for the subject site. The employment projections will be translated into commercial space needs by applying industry standard space per employee measures for each industry segment.

C. Project Opportunities & Constraints

1. Market Opportunities & Constraints
 - a. Consultant will provide a list of viable market opportunities to include individual uses or combinations of uses which fit the site profile and market opportunities. The market opportunities identified at this point in the planning process are only limited by what is actually achievable in the Rock Island market. For example, the opportunities may be very specific, such as "recruit an anchor office tenant from the technology sector," or more general, such as "develop a mixed-use hotel node targeted toward business travelers."
 - b. Consultant will identify site constraints from a political and fiscal standpoint. Where existing site conditions are likely to create a competitive disadvantage, a variety of scenarios will be created to address the shortcoming.
 - c. A uses and drivers matrix will be developed which provides an overview of the identified potential uses, the typical acreage associated with each, location criteria and industry drivers (i.e., financing, site layout, co-tenancy preferences, infrastructure, etc.), and relative timeframe of the demand, as available.

D. Development Scenarios

1. Concept Planning
 - a. Based on information gathered up to this point, Consultant will create a generalized site layout to portray the access and developed areas envisioned by the land owners and other stakeholders. The concept will include vehicular access, parking areas, and development sites by envisioned land use. It will include developable acreage, square footage yield and assessed property value estimates (using expected floor-to-area ratios). The concept is not intended to be regulating or detailed, but rather to assist in presenting the site to potential buyers/tenants.

E. Implementation Planning

1. Implementation Plan
 - a. Consultant will develop an implementation plan that includes the action steps necessary to foster private sector engagement and development in the study area. Implementation items will include recommended marketing efforts, adjustments to City zoning ordinances or other codes, infrastructure projects, transportation planning initiatives, targeted outreach activities (including a list of developers, businesses,

retailers or hotel flags and contact information for entities known to be active in the area or seen as industry targets for study area development), and other recommended strategies or initiatives based on previous market analysis or public input findings. Plan elements will include timeframe, relative cost, time to complete, and responsible party.

This contract does not include detailed site or transportation engineering so these elements will need to be provided by the City, if they currently exist.

F. Meetings

Consultant will conduct three (3) on site meetings. These meetings will occur at project kick-off and initial site visit, during the stakeholder interview phase (which will be a combination of face-to-face interviews and phone interviews), and will include a final presentation to City/Steering Committee. Consultant will participate in up to four monthly conference calls with Steering Committee to discuss progress and collect needed information.

DELIVERABLES

The scope incorporates the following deliverables:

- Four hard copy bound documents of the draft assessment document for review and comment by the steering committee.
- Four hard copy bound documents of the final plan including Market Analysis, Summary of Stakeholder Input, Opportunities & Constraints Summary, Uses Matrix, Implementation Plan and general concept plan drawing. Digital files of all final documents will also be provided.

CLIENT RESPONSIBILITIES

Client will be responsible for the following tasks:

- Timely provision of existing reports, studies and land use or other property information for site and adjacent areas.
- Provision of meeting space for Steering Committee meetings and stakeholder interviews as necessary.
- Assistance in identifying key individuals for stakeholder outreach activities.
- Timely review and feedback on submitted program materials.

EXCLUDED ITEMS

The scope does not include the following items which may be negotiated under separate contract for future work:

- Site engineering work such as stormwater facility design, transportation infrastructure design, site grading, flood plain identification or other engineering activities.
- Soil testing or analysis
- Transportation network analysis or traffic impact from development
- Market analysis for opportunities elsewhere in the City of Rock Island
- Residential market analysis

TIMELINE

Consultant anticipates a 4-month timeline from date of authorization to proceed to complete the services describe herein.

FEE

The fixed fee for the scope of services described herein (including reimbursable expenses) is \$35,000.

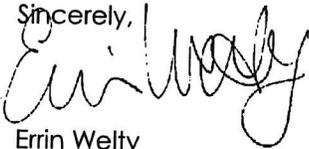
Consultant submits invoices monthly on the basis of percent of Scope of Services completed. Payment is due upon receipt. For invoices not paid after 30 days, interest will accrue at the rate of 1½% per month.

GENERAL TERMS AND CONDITIONS

The General Terms and Conditions attached hereto are incorporated herein by reference.

Please indicate your approval for us to proceed with this work by signing in the space provided below and returning one copy to our office. Feel free to call me with any questions or concerns.

Sincerely,

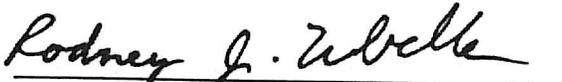


Errin Welty
Project Manager

EW/lfi

Attachment: General Terms and Conditions

Submitted by:
VIERBICHER ASSOCIATES, INC.



Rod Zubella, PE, President/CEO

Date: 12/15/11

Approved:
CITY OF ROCK ISLAND

By: _____

Date: _____

**VIERBICHER ASSOCIATES, INC. (CONSULTANT)
GENERAL TERMS AND CONDITIONS OF SERVICES**

1. Services Not Provided as Part of This Contract

Environmental studies, resident inspection services, archaeological investigations, soil borings, flood plain analysis, wetland delineations, public hearing representation, easements, property descriptions or surveys, negotiations for property rights acquisitions, and other detailed studies or investigations, unless specifically identified above, are not included as part of this work. Inspection or testing for hazardous materials such as asbestos, mold, lead paint or PCBs are also not included.

2. Additional Services

The Scope of Services in this Agreement is intended to cover services normally required for this type of project. However, occasionally events occur beyond the control of the Consultant or the Client that create a need for additional services beyond those required for a standard contract.

The Consultant and/or Client shall promptly and in a timely manner bring to the attention of the other the potential need to change the Scope of Services set forth above, necessitated by a change in the Scope of Project, Scope of Services, or the Schedule. When a change in the Scope of Services, Schedule, or Fees is agreed to by the Consultant and Client, it shall be initiated by written authorization of both parties.

3. Client's Responsibility

- A. Provide Consultant with all criteria and full information as to Client's requirements for the project, including design objectives and constraints, capacity and performance requirements, flexibility, expandability, and any budgetary limitations; furnish copies of all design and construction standards which Client will require to be included in the drawings and specifications; and furnish copies of Client's standard forms, and conditions, including insurance requirements and related documents for Consultant to include in the bidding documents, or otherwise when applicable.
- B. Furnish to Consultant any other information pertinent to the project including reports and data relative to previous designs, or investigations at or adjacent to the site, including hazardous environmental conditions and other data such as reports, investigations, actions or citations.
- C. Arrange for safe access to and make all provisions for Consultant to enter upon public and private property as required for Consultant to perform services under this Agreement.
- D. Examine all alternate solutions, studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Consultant and render timely decisions pertaining thereto.
- E. Attend the pre-bid conference, bid opening, pre-construction conferences, construction progress and other job related meetings, and substantial completion and final payment inspections.
- F. If more than one prime contract is to be awarded for the work designed or specified by Consultant, designate a person or entity to have authority and responsibility for coordinating the activities among the various prime contractors, and define and set forth in writing the duties, responsibilities, and limitations of authority of such individual or entity and the relation thereof to the duties, responsibilities, and authority of Consultant.

G. If Client designates a Construction Manager or an individual or entity other than, or in addition to, Consultant to represent Client at the site, the Client shall define and set forth in writing the duties, responsibilities, and limitations of authority of such other party and the relation thereof to the duties, responsibilities, and authority of Consultant and make a part of this Agreement.

4. Fees

- A. The fees set forth in this Agreement are based on the assumption that the work will be completed within the time frame set forth herein. If significant delays to the project occur, which are not due to the negligence of the Consultant, e.g. decisions of the Client, regulatory approvals, deferrals to the next construction season or calendar year, etc., the Consultant reserves the right to negotiate and adjust an appropriate change to the fees.
- B. Reimbursable expenses are included in the above stated fees or estimates.
- C. We submit invoices monthly for work completed to date. Fixed fees will be submitted on the basis of percent of the Scope of Services completed. Estimated fees will be submitted on the basis of time and expense incurred in accordance with Consultant's fee schedule in effect at the time the costs are incurred.
- D. Invoices are due upon receipt. For invoices not paid after 30 days, interest will accrue at the rate of 1 ½% per month.
- E. When estimates of fees or expenses are quoted, they are simply that, estimates. Actual costs invoiced may be higher or lower due to actual fees or expenses incurred. When fees or expenses are anticipated to be higher or lower than estimated we will make every effort to inform you in a timely manner, even prior to incurring the costs, if possible.
- F. Consultant will bill additional services, if requested, in accordance with the fee schedule in effect at the time the work is performed or as otherwise negotiated.

5. Dispute Resolution

In the event a dispute shall develop between the Client and the Consultant arising out of or related to this Agreement, the Client and Consultant agree to use the following process to resolve the dispute:

- A. The Client and Consultant agree to first negotiate all disputes between them in good faith for a period of at least 30 days from notice first being served in writing to the Client or Consultant of the dispute.
- B. If the Client and Consultant are unable to resolve the dispute by negotiation as described above, the Client and Consultant agree to submit the dispute to non-binding mediation. Such mediation shall be conducted in accordance with Construction Industry Dispute Resolution procedures of the American Arbitration Association.
- C. If the Client and Consultant are unable to resolve the dispute by negotiation or by mediation, they are free to utilize whatever other legal remedies are available to settle the dispute.

6. Insurance

A. Consultant

Consultant maintains general liability and property insurance; vehicle liability; and workers' compensation coverage meeting state and federal mandates. We also carry professional liability insurance to cover losses from potential errors and omissions by our employees or others that work at our direction. Certificates of Insurance will be provided upon written request.

B. Client

The Client shall procure and maintain, at its expense, general liability, property insurance and, if appropriate, workers' compensation and builders risk insurance.

C. Contractor

The Consultant shall procure from the Contractor, as directed by the Client and/or as provided in the Scope of Services, Certificates of Insurance for the type and amounts as directed by the Client.

7. Limitations of Liability

A. Client and Consultant agree to allocate certain of the risks so that, to the fullest extent permitted by law, Consultant's total aggregate liability to Client is limited to the amount of Consultant's insurance policy limits for any and all injuries, damages, claims, losses, expenses, or claim expenses (including attorney's and expert witness' fees) arising out of this Agreement from any cause or causes. Such causes include, but are not limited to, Consultant's negligence, errors, omissions, strict liability, statutory liability, breach of contract, breach of warranty, negligent misrepresentation, or other acts giving rise to liability based upon contract, tort, or statute.

B. The Client and Consultant mutually agree, to the fullest extent permitted by law, to indemnify and hold each other harmless from any and all damage, liability or cost, including reasonable attorney's fees and costs of defense, arising from their own negligent acts, errors, or omissions in the performance of their services under this Agreement, to the extent that each party is responsible for such damages, liabilities and costs on a comparative basis of fault.

8. Use of Documents

A. All documents developed as a result of this Agreement are instruments of services with respect to this project. The Consultant shall retain an ownership and property interest therein, including the right of reuse, whether or not the project is completed.

B. Client may make and retain copies of documents for information and reference in connection with use on this project. Such documents are not intended or represented to be suitable for reuse by Client or others on extensions of this project or on any other project. Any such reuse or modification without written verification or adaptation by Consultant, as appropriate for the specific purpose intended, will be at Client's sole risk and without liability exposure to Consultant from all claims, damages, losses, and expenses, including attorneys' fees arising out of or resulting therefrom.

C. If there is a discrepancy between the electronic files and the hard copies, the original hard copies govern.

9. TERMINATION

The obligation to provide further services under this Agreement may be terminated:

A. For Cause

1. By either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof, through no fault of the terminating party. The failing party shall have the right, within 30 days, to correct or remedy the cited failures.

2. By Consultant

a. Upon seven days written notice if Consultant believes that he is being requested by Client to furnish or perform services contrary to Consultant's responsibilities as a licensed professional. Consultant shall have no liability to Client on account of such termination.

b. Upon seven days written notice if the Consultant's services for the project are delayed or suspended for more than 90 days for reasons beyond Consultant's control.

c. Upon seven days written notice if the Client has failed to pay for previous services rendered and/or if his account is more than 90 days past due.

B. To Discontinue Project

By Client effective upon the receipt of notice by Consultant.

C. Reimbursement for Services

Consultant shall be reimbursed for all services and expenses rightfully incurred prior to termination.

10. Successors Assigns and Beneficiaries

A. Client and Consultant each is hereby bound and the partners, successors, executors, administrators and legal representatives of Client and Consultant are hereby bound to the other party by this Agreement and to the partners, successors, executors administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this Agreement.

B. Neither Client nor Consultant may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty of responsibility under this Agreement.

11. Controlling Laws

This Agreement is to be governed by the laws of the state in which the project is located.