
**MEMORANDUM
COMMUNITY AND ECONOMIC DEVELOPMENT**

TO: Thomas Thomas, City Manager

SUBJECT: I280/IL Route 92 TIF District

DATE: 1/18/12

The City Council has identified the promotion of development at the northeast quadrant of Interstate 280 and Illinois Route 92 as a top priority. An important development tool is Tax Increment Financing (TIF). Attached is an Inducement Resolution and contract from PGAV Planners to initiate the process of creating a TIF district at this site.

The Inducement Resolution is the first step in creating a TIF district and establishes the city's intent to create a TIF district at this location. The process involves a number of steps which include drafting a redevelopment plan, conducting public hearings, notifying affected property owners and taxing bodies, meeting with the Joint Review Board, issuing public notices and final approval of ordinances adopting the TIF plan, designating the TIF area and adopting TIF financing. Also attached is contract with PGAV for assistance in drafting the redevelopment plan and meeting the conditions of the TIF statute. PGAV assisted the city with creation of the Columbia Park TIF and has provided guidance on various matters related to interpretation and application of the TIF law. Payment for PGAV's services are TIF eligible once the district is created.

RECOMMENDATION

Council approval a resolution providing for feasibility study on the designation of a portion of the City of Rock Island as a Redevelopment Project Area and authorize the City Manager to execute a contract with PGAV Planners.

SUBMITTED BY: Greg Champagne, Community and Economic Development Director

Approved: Thomas Thomas, City Manager

RESOLUTION NO. _____

**RESOLUTION PROVIDING FOR A FEASIBILITY STUDY ON THE
DESIGNATION OF A PORTION OF THE CITY OF ROCK ISLAND AS A
REDEVELOPMENT PROJECT AREA
AND
TO INDUCE DEVELOPMENT INTEREST
WITHIN SUCH AREA**

WHEREAS, the City of Rock Island (the "City") is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, *65 ILCS 11-74.4-1, et seq.* (the "Act"), to finance redevelopment project costs in connection with redevelopment project areas established in accordance with the conditions and requirements set forth in the Act; and

WHEREAS, pursuant to the Act, to implement tax increment financing (TIF), it is necessary for the City to adopt a redevelopment plan and redevelopment project, designate a redevelopment project area on the basis of finding that the area qualifies pursuant to statutory requirements, and make a finding that the redevelopment project area on the whole has not been subjected to growth and development through private enterprise and would not reasonably be anticipated to be developed without the adoption of a redevelopment plan, which plan contains a commitment to use public funds; and

WHEREAS, the City desires to undertake a feasibility study to determine whether findings may be made with respect to an area of the City (referred to as the "I-280/Route 92 N.E. Redevelopment Project Area"), which may be designated as a redevelopment project area, to qualify the area as a blighted area or a conservation area or a combination thereof as defined in the Act, and other research necessary to document the lack of growth and development through private enterprise; and

WHEREAS, the exact extent and boundaries of the redevelopment project area are not precisely defined at this time but the area being considered is generally delineated on **Exhibit A** attached hereto, and that the actual redevelopment project area to be established may contain more less land than that shown on Exhibit A; and

WHEREAS, the City will be expending certain funds to determine eligibility of the proposed redevelopment project area and to prepare the required redevelopment plan if the City decides to implement tax increment financing for all or a portion of the proposed TIF area; and

WHEREAS, the City may expend other funds in furtherance of the objectives of the anticipated redevelopment plan; and

WHEREAS, it is the intent of the City to recover these expenditures from first proceeds of the TIF program, if established; and

WHEREAS, the City wishes to encourage developers and property owners to pursue plans for the redevelopment of the area and make such expenditures as are reasonably necessary in that regard with confidence that said expenditures may be allowable redevelopment project costs under the plan once adopted and subject to a redevelopment agreement between the City and the developers/property owners; and

WHEREAS, the purpose of the proposed redevelopment plan and project is to generate private investment in the targeted area, thereby eliminating or reducing blighted conditions or conditions that may lead to blight and provides for the long-term sound growth of the community; and

WHEREAS, tax increment allocation financing utilizes the increase in real estate taxes ("tax increment") resulting from the increase in value of properties located in a redevelopment project area to pay for certain redevelopment projects costs as provided for in the Act; and

WHEREAS, given that none of the purposes of the proposed redevelopment plan or proposed redevelopment project area is not reasonably expected to result in the displacement of residents from ten (10) or more inhabited residential units within the area, the feasibility study is not required to include the preparation of any housing impact study as described in Section 11-74.4-4.1 (b) of the Act; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rock Island, Illinois as follows:

1. That the City Council has examined the proposed area and circumstances and at this time believe that it is reasonable to believe that a tax increment financing plan can be adopted for said area and expenditures of development costs in furtherance of the plan and potential development should be allowable project costs under the plan, provided that this resolution is not a guarantee that any such plan will be adopted, but rather an expression of the sense of the City at this time.

2. The person to contact for additional information about the proposed redevelopment project area and who should receive all comments and suggestions regarding the redevelopment of the area shall be:

Director of Community and Economic Development
City of Rock Island
1528 Third Avenue
Rock Island, IL 61201
Telephone (309) 732-2920

PASSED this _____ day of _____ 2012.

YEAS: _____
NEAS: _____
ABSENT: _____
ABSTAIN: _____

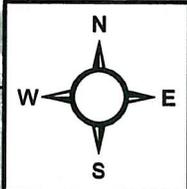
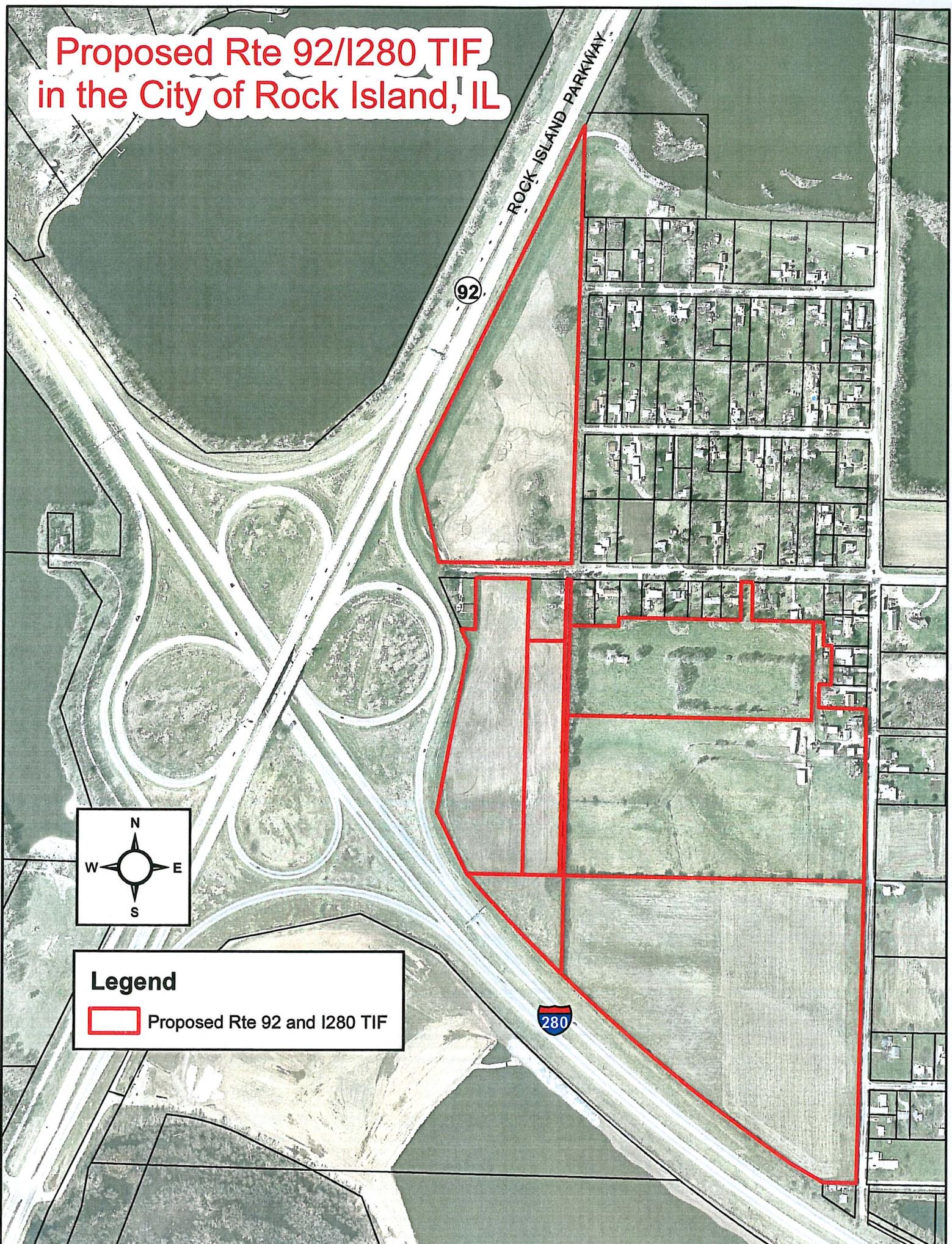
Dennis E. Pauley, Mayor

ATTEST:

Aliesha L. Patchin, City Clerk

ATTACHMENT A:
Preliminary Boundary
Proposed I-280/Route 92 N.E. TIF Redevelopment Project Area

Proposed Rte 92/I280 TIF in the City of Rock Island, IL



Legend

 Proposed Rte 92 and I280 TIF

CONTRACT FOR PROFESSIONAL SERVICES

BETWEEN

**THE CITY OF ROCK ISLAND, ILLINOIS
AND
PECKHAM GUYTON ALBERS & VIETS, INC.
(I-280/Route 92 N.E. TIF Redevelopment Project Area)**

THIS AGREEMENT is entered into on the date and by execution shown hereafter, by and between the City of Rock Island (hereinafter referred to as the "City") and Peckham Guyton Albers & Viets, Inc., (hereinafter referred to as "PGAV").

WITNESSETH:

Whereas, the City is interested in development and improvement of areas within the City utilizing the Tax Increment Allocation Redevelopment Act, 65 ILCS, 5/11-74.4-1 et. seq., as amended (the TIF Act) to facilitate development in the area; and

Whereas, the City desires to explore the feasibility of establishing a tax increment finance redevelopment project area in an area identified herein as the I-280/Route 92 N. E. Redevelopment Project Area (Project Area); and

Whereas, if it is determined that the Project Area is eligible under the applicable provisions of the TIF Act, the City may direct PGAV to prepare a redevelopment plan for this area, pursuant to the scope of services described herein; and

Whereas, PGAV is duly experienced in providing technical services in conducting eligibility studies and preparing tax increment financing redevelopment plans.

Now, Therefore, the parties hereto do mutually agree as follows:

I. SCOPE OF SERVICES

A. Interested Parties Registry

PGAV will assist the City in complying with the requirements of the TIF Act regarding the "interested parties' registry." This assistance includes providing the City with drafts of the following:

1. A newspaper notice of registration for the interested parties registry regarding the proposed TIF district.
2. Prepare an updated TIF interested parties registration form.

B. Eligibility Analysis and Boundary Determination

1. The general area being considered for use of tax increment financing is shown on the attached map (see **Exhibit A**). This area shall be considered as the study area for The TIF Area until a final TIF boundary is established.
2. PGAV will meet with City representatives to identify and discuss issues that need to be considered for the proposed TIF program, including deciding what properties should be included in the proposed Project Area. Also included for discussion will be City policies on any issues affecting the TIF program; projects desired for inclusion in the program; and any other ideas, thoughts, or suggestions the City wants to transmit to PGAV at this stage of the process.

3. PGAV will examine improved properties in the study area, which will include the condition of existing buildings and site improvements thereon, including street rights of way. Also, PGAV will provide to the City's consulting professional engineer the statutory parameters under which the engineer may certify conditions of chronic flooding or watershed discharge problems associated with any of the vacant parcels located within the study area (e.g., definition of 'blighted area" as applied to vacant land).
4. Based upon the findings of the field work, engineer certification of flooding/drainage issues and other research findings, PGAV will recommend a final boundary for the Project Area. Upon concurrence by the City's point of contact, PGAV will prepare findings on eligibility and incorporate said findings in the Redevelopment Plan as described in Task C below:

C. Redevelopment Plan

1. Redevelopment Plan/Statutory Requirements:

PGAV will prepare a Redevelopment Plan for the TIF Area to be known as the I-280/Route 92 N. E. Redevelopment Project Area. This Plan will include as provided for in the TIF statute:

- a. Redevelopment plan objectives.
- b. Generalized land use for the Project Area.
- c. Description of private projects and necessary public actions.
- d. Implementation strategy.
- e. Estimated redevelopment project costs.
- f. Estimate of equalized assessed value of the Project Area after redevelopment.
- g. The eligibility findings for the Project Area as documented in Task C of this scope of services.
- h. Include documentation that "but for TIF" the Plan will not be implemented.
- i. Include evidence that the subject Project Area has not been subject to growth and development by private enterprise as may be revealed from assessed value data and/or building permit records.

2. Exhibits:

PGAV will prepare the following maps and/or exhibits, as deemed necessary by PGAV, to document the Redevelopment Plan.

- a. Redevelopment Project Area Map for the I-280/Route 92 N. E. Redevelopment Project Area.
- b. General Land Use Plan.
- c. Estimated Redevelopment Project Costs.

D. Review & Approval Process

1. PGAV will prepare, for the City's use, a schedule that documents the Redevelopment Plan review and approval process for the proposed I-280/Route 92 N. E. Redevelopment Project Area.

Included on this schedule will be dates for publications and mailing of required notices pursuant to the requirements of the TIF Act.

2. PGAV will provide guidance to the City in the formal approval process of the Redevelopment Plan. This shall include general advice and sample notices for the: Joint Review Board; public hearing; approval ordinances, etc., and notices to taxing bodies, property owners and residential addressees located within 750 of the Project Area.
3. PGAV will present the proposed Redevelopment Plan at the Joint Review Board meeting and at the required public hearing.

II. INFORMATION TO BE PROVIDED OR TASKS TO BE UNDERTAKEN BY THE CITY

The City will provide (or cause to be provided by others) the following:

- A. A person to serve as a point of contact with the City, who will interact with PGAV staff and be responsible for tasks to be completed by the City.
- B. Digital base map of the Planning Area in ArcGIS shape files or in AutoCAD (.dxf) format. Also provide databases of property identification numbers, property ownership and street names.
- D. Collect the most recent equalized assessed valuation (E.A.V.) of each parcel in the Project Area from the County Assessor's office, including name and address of property owners. While collecting this information, the City will obtain the historical E.A.V. for each parcel going back to 2005.
- E. Prepare the legal description of proposed Redevelopment Project Area.
- F. Accomplish any necessary annexations for any land to be included in the TIF Area that is not currently within the corporate limits of the City.
- G. Accomplish any necessary amendments to the City's Comprehensive Plan, if any, so that the proposed uses contained in the TIF redevelopment plan are consistent with the Comprehensive Plan for the City as a whole.
- H. Be responsible for the publication of the required public hearing notices in the local newspaper and mailing of various required notices to taxing districts, property owners within the Redevelopment Project Area and residential addressees within 750 feet of the proposed Project Area boundary. The City will be responsible for ensuring that such publications and mailings take place in accordance with the schedule prepared by PGAV under Section 1 of this Agreement.

III. TIMING OF PERFORMANCE

Upon signing of this Agreement and payment by the City of the retainer amount referenced in Section IV, below PGAV will commence services as provided herein. PGAV shall complete the assignment in accordance with a work schedule to be mutually prepared by PGAV and the City.

IV. FEE & METHOD OF COMPENSATION

- A. The fee for the completed services shall be \$31,000, exclusive of reimbursable expenses as stated below.
- B. Reimbursable expenses will consist of reasonable travel expenses, local mileage, long distance telephone charges, express delivery charges, photographic expenses, the cost of printing or other reproduction of documents, fees or charges for documents owned by others, and other "out-of-pocket" expenses required to provide the services described. Such expenses will be billed at their direct cost

to PGAV. Reimbursable expenses shall not exceed \$2,000 without prior written consent from the City.

C. Method of Compensation shall be in accordance with the below schedule:

1. \$3,000 retainer amount upon signing of the Agreement and submittal of invoice.
2. \$11,000 upon completion of the services stated in Section I, Task A and B and submittal of invoice.
3. \$9,000 upon completion of the Redevelopment Plan as stated in Section I, Task C and submittal of invoice.
4. \$8,000 upon completion of Section I, Task D and submittal of invoice.

PGAV may submit invoices for partial completion of services for any Task per the above payment schedule.

D. Payments to PGAV for services and reimbursable expenses are due within 30 days after receipt of our statement. If no payment has been received within 60 days after receipt of our initial statement, PGAV will suspend services under this Agreement until PGAV has been paid in full the amounts due for services and expenses.

V. SERVICES OUTSIDE THE SCOPE OF THIS AGREEMENT

The scope of the work to be performed by PGAV shall be as provided for herein. The following work elements are hereby specifically noted as not included as tasks to be performed in conjunction with the terms of this Agreement:

- A. Revisions to the eligibility analysis or TIF redevelopment plan if the boundaries of the Project Area change after the City's concurrence with PGAV's recommended boundary configuration.
- B. Undertaking special studies such as market studies, economic impact studies, traffic impact studies and any other special studies that may be useful to the City in making decisions on specific development proposals within the Project Area.
- C. Preparation of a housing impact study, which would be required if the TIF Plan may result in the displacement of residents from 10 or more inhabited housing units.
- D. Preparation of the required annual TIF reports that are required to be submitted to the Illinois Comptroller's Office.
- E. Preparation of and/or review of redevelopment agreements between the City and private parties wishing to receive TIF assistance.

These services shall be considered additional work beyond the scope of this Agreement. The City may acquire such services by PGAV at an additional cost to be negotiated and provided for in the form of an addendum to this or separate Agreement.

VI. PROJECT STAFFING & MANAGEMENT

- A. PGAV hereby agrees to provide the qualified professional, technical, and clerical staff available within the firm to conduct the work in accordance with the tasks as outlined in Section I of this Agreement.

- B. If, in the opinion of PGAV and the City, a particular assignment (e.g., extra services) requires specialized expertise not available within the PGAV staff, the accomplishment of such tasks may be achieved through subcontract with firms or individuals subject to prior approval of the City.

VII. TERMINATION OF AGREEMENT

If, for any reason, the City wishes to terminate this Agreement the City shall notify PGAV in writing. The date of said termination shall occur upon receipt of the written notice of termination by PGAV via the U.S. Postal Service or facsimile (followed by receipt of an original signature copy). The City will pay to PGAV an amount representing the percentage complete of the work performed to the date of termination, plus any reimbursable expenses which have been incurred by PGAV to that date.

VIII. OWNERSHIP OF DOCUMENTS

Except to the extent that documents, reports or other information are prepared under the provisions of this Agreement and submitted to municipalities or other public entities wherein they become subject to Federal or State "sunshine law" provisions, the City will have sole ownership of all reports, maps, etc. prepared under this contract, including rights of copying and distribution.

IX. OTHER TERMS AND CONDITIONS

The Scope of Services, provided in Section I of this Agreement, is based upon the provisions of the TIF Act as of December 31, 2010. Should anything occur that would cause TIF Redevelopment Plan to be prepared and processed under the terms of any subsequent amendments, the applicable portions of this Agreement shall be amended as appropriate.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed this _____ day of _____, 2012.

ATTEST:

CITY OF ROCK ISLAND, ILLINOIS

Alisha L. Patchin, City Clerk

Dennis E. Pauley, Mayor

ATTEST:

PECKHAM GUYTON ALBERS & VIETS, INC.

Michael P. Weber
Director, PGAV Planners

John Brancaglione, Vice President

Attachment: Exhibit A: I-280/Route 92 N. E. TIF Study Area