

Committee-of-the-Whole Agenda

6:30 p.m.

Tuesday, September 24, 2013

Oath of Office

Oath of Office for regular commissioned appointment as a Police Officer to Tyler J. Hoogerwerf effective September 24, 2013 (hire date September 24, 2012).

Oath of Office for promotional appointment of Michael Maynard to the rank of Fire Battalion Chief, and Kevin Irby to the rank of Fire Captain, effective September 23, 2013.

Presentation

Overview of Alcoholic Liquor Ordinance. (Tracy Koranda, City Clerk/Deputy Liquor Commissioner)

Questions on the Agenda

Agenda Items

- 1. Zoning Map amendment for 2500-2600 River Drive.** (Shawn Christ, Land Development Manager)
- 2. Zoning Map amendment for 4341 26th Avenue.** (Shawn Christ, Land Development Manager)
- 3. Purchase of Replacement Fuel Island Canopy.** (JD Schulte, Fleet Services Manager)
- 4. 33rd Avenue Sewer Main Extension Project.** (Greg Swanson, Utilities General Manager)
- 5. Utility Permit, 64th Street Pump Station.** (Scott Hinton, City Engineer)
- 6. Term Sheet for Development of the Multi Modal Station.** (Ray Forsythe, Planning & Development Director)
- 7. 2013 Property Tax Levy Recommendation.** (Kathy Carr, Finance Director)
- 8. Other**

Explanation

1. Zoning Map amendment for property located at 2500-2600 River Drive from ORT (Office/Research/Technology District) to B-2 (Central Business District). (Shawn Christ, Land Development Manager)

Explanation: The City Council previously directed staff to initiate rezoning on the proposed “Riverbend Commons” property, a City-owned 13.2-acre tract located immediately west of the Western Illinois University campus. Rezoning to the B-2 district will better accommodate the mixed land use proposed for the property. Plan Commission recommends approval. Additional documentation attached.

Staff Recommendation: Approval

Fiscal Impact: N/A

Public Notice/Recording: N/A

Goal Impacted: Strong Local Economy, Improved City Infrastructure & Facilities

2. Zoning Map amendment for property located at 4341 26th Avenue from R-2 (One-Family Residence District) to R-6 (Multifamily Residence District). (Shawn Christ, Land Development Manager)

Explanation: This property contained a 12-unit condominium building until 2007 when it was destroyed by fire and demolished. Brad Bagby (applicant) and Eagle Crest Condominium Association (owner) filed a request to rezone from R-2 (One-Family Residence District) to R-4 (One-to-Six Family Dwelling District) to allow construction of a four-plex apartment building. At its September 11 meeting, Plan Commission identified a zoning map error and recommended rezoning from R-2 to R-6 (Multifamily Dwelling District) to meet the petitioners’ needs and correct the map. A subsequent petition to correct remaining properties on this block will follow. Additional documentation attached.

Staff Recommendation: Approval

Fiscal Impact: N/A

Public Notice/Recording: N/A

Goal Impacted: Strong Local Economy, Improved City Infrastructure & Facilities

3. Purchase of Replacement CNG Compliant Fuel Island Canopy. (JD Schulte, Fleet Services Manager)

Explanation: The existing fuel island canopy at Public Works has been removed as a result of damage incurred during the storms in June of 2013. We have received a settlement payment from Traveler’s Insurance for the amount of damage above the City’s self insured retention (SIR) amount, to include existing canopy removal and clean up. Fleet Services has written and published an RFP and received responses meeting all of the necessary requirements.

Currently, the City has an intergovernmental agreement with Metrolink that allows Metrolink to dispense compressed natural gas (CNG) at the Public Works fuel island. The CNG dispensers were not located beneath the previous canopy and as a result, the weather and elements have reduced their useful life. Metrolink has agreed to subsidize the canopy replacement in the amount of \$18,000.00 to extend the canopy over the CNG dispensers.

Federal emission mandates that became effective in 2011 require diesel exhaust fluid (DEF) to be used in diesel vehicles, both on and off road, to meet emission standards. Currently, Fleet Services is dispensing this product in totes. The RFP response also includes expanding the canopy size to accommodate future DEF dispensers to be installed at a later date as the City’s DEF use increases. Preliminary piping and conduits for DEF dispensers are also included in said RFP pricing.

Staff recommends entering into an agreement with Seneca Companies, Bettendorf, Iowa, for the purchase and installation of a CNG compliant fuel island canopy as proposed on July 22, 2013 in the amount of \$106,117.29. Additional documentation attached.

Staff Recommendation:	Approval	
Fiscal Impact:	Insurance Proceeds	\$44,644.79
	SIR from Liability Fund	\$25,000.00
	Metrolink for Expansion	\$18,000.00
	The remaining \$18,472.50 is available in the Fleet Equipment Replacement account.	
Public Notice/Recording:	N/A	
Goals Impacted:	Desirable Place to Live, Quality Neighborhoods, Financially Strong City.	

4. 33rd Avenue Sewer Main Extension Project. (Greg Swanson, Utilities General Manager)

Explanation: Seven properties in the 3600 Block of 33rd Avenue are on septic systems, and the majority of the property owners are interested in connecting to the City sanitary sewer system. When a septic system fails or a property owner desires to connect to the sanitary sewer, City Code requires property owners to extend the public sanitary sewer to their property if 1) the property is within 300 feet of the public sanitary sewer and 2) the property can be served with sanitary sewer “by employment of customary engineering methods”, i.e. gravity. In this case, the closest sanitary sewer which can be used by gravity is 690’ away. As such, staff proposes to use WPC reserves to fund the installation of a public main extension to serve all seven properties.

The total estimated cost of the main extension is \$135,000. The property owners propose to participate in the cost of the project by funding that portion of the main that extends across their property frontages. The estimated cost to the property owners is \$38,465, resulting in an estimated cost to the City of \$96,535. Staff proposes to fund and construct the entire project up front with the property owners reimbursing the City in equal payments over ten years at 2.8% interest. If approved, the ten-year agreement would be recorded against each property to ensure full reimbursement.

City staff is seeking conceptual approval of the project and financing arrangement at this time, so that design and construction can proceed in 2013. Additional documentation attached.

Staff Recommendation:	Staff recommends proceeding with design and bidding of the project and development of the tap-on financing agreement. Staff will present bid results and the tap-on financing agreement for formal City Council approval at a later date.	
Fiscal Impact:	Sufficient funds are available in WPC Fund Reserves	
Public Notice/Recording:	N/A	
Goals Impacted:	Improved City Infrastructure & Facilities; A Great Place to Live	

5. Approval of a Request for a Utility Permit from the Illinois Department of Transportation for Project #1185, 64th Street Pump Station. (Scott Hinton, City Engineer)

Explanation: Project #1185 includes boring a sanitary sewer main under Airport Road and I-280. Both are located in IDOT right-of-way and, as such, a Utility Permit from IDOT is required prior to starting the work. The Permit application requirements include a Resolution passed by the City Council stating that all work will conform with IDOT rules and regulations. Additional documentation attached.

Staff Recommendation:	Approval	
Fiscal Impact:	N/A	
Public Notice/Recording:	N/A	
Goals Impacted:	Improved City Infrastructure & Facilities; A Great Place to Live	

6. Resolution Approving a Term Sheet with Moline Promenade Investors LLC for Development of the Multi Modal Station. (Ray Forsythe, Planning & Development Director)

Explanation: The City has negotiated the terms of an agreement with Moline Promenade Investors LLC ("Developer") to develop an extended stay hotel on part of the first floor and on all of the upper floors of the O'Rourke Building. Developer will also develop some retail and commercial outlets on the first floor of the O'Rourke Building that will be complementary to the train service. The City will retain ownership of that portion of the first floor of the O'Rourke Building that will be designated as common space for the train station.

All private development will be done with private funds. The TIGER and State grant monies will be used for the public portions of the Project, including the access ways on first floor, the waiting area for Amtrak passengers, the office area/IT space for Amtrak, the roof, the skywalk across the train tracks, landscaping, streetscaping, public restrooms, parking, other public improvements, and the core and shell of the entire O'Rourke Building. The Developer agrees to purchase the private space from the City on an installment note for the aggregate sum of \$1.3 million. Annual installments on the note will be \$86,667, and the first installment payment will be due upon Developer's receipt of the property tax rebate referenced in the next paragraph. The City will rebate from the property tax increment to Developer \$86,667 per year until the \$1.3 million purchase price is paid to the City. In addition to the \$86,667 annual rebate, the City agrees to rebate certain excess property taxes, upon proof of TIF eligible expenses, to Developer as follows from the date of execution of the Development Agreement:

- Years 1 – 5: City shall rebate any property taxes over \$165,000 annually on the hotel and first floor retail portion.
- The Developer also agrees to the following minimum annual taxes (before rebates) on the hotel portion in the tax payment years following the January 1 assessment that immediately follows the calendar year in which a certificate of occupancy is issued and the project is first assessed:
- Years 1 – 3: Developer shall pay a minimum of \$140,000 in property taxes on the hotel portion (if taxes are less than this amount, the Developer makes a payment in lieu of taxes to equal \$140,000);
- Years 4 –10: Developer shall pay a minimum of \$150,000 in property taxes on the hotel portion (if taxes are less than this amount, the Developer makes a payment in lieu of taxes to equal \$150,000).

The City will also give Moline Promenade Investors LLC right to use 80 parking spaces within a one block radius of the hotel at \$50 per space per month. Additional documentation attached.

Staff Recommendation:	Approval
Fiscal Impact:	Increased future property tax revenues
Public Notice/Recording:	N/A
Goals Impacted:	A Great Place to Live, Improved City Infrastructure & Facilities, Financially Strong City

7. 2013 Property Tax Levy Recommendation. (Kathy Carr, Finance Director)

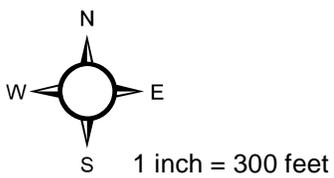
Explanation: Annually, the City of Moline levies a tax on all real property within the City. The 2013 levy will be collectible in 2014 and utilized as a revenue source for the 2014 budget. The City Administrator is in the process of developing a 2014 Budget recommendation and needs to address a \$263,970 deficit in the Library Fund. The City Administrator had asked the Library Board to approve the drawdown of existing reserves (\$163,000) however this will still leave a shortfall of \$100,970. On September 12, 2013, the Library Board voted to support the Administrator's recommendation to increase the tax levy specifically to support the Library Fund and balance the deficit. Therefore, a property tax levy increase of \$100,970 to be allocated to the Library Fund is recommended. Additional documentation attached.

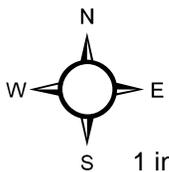
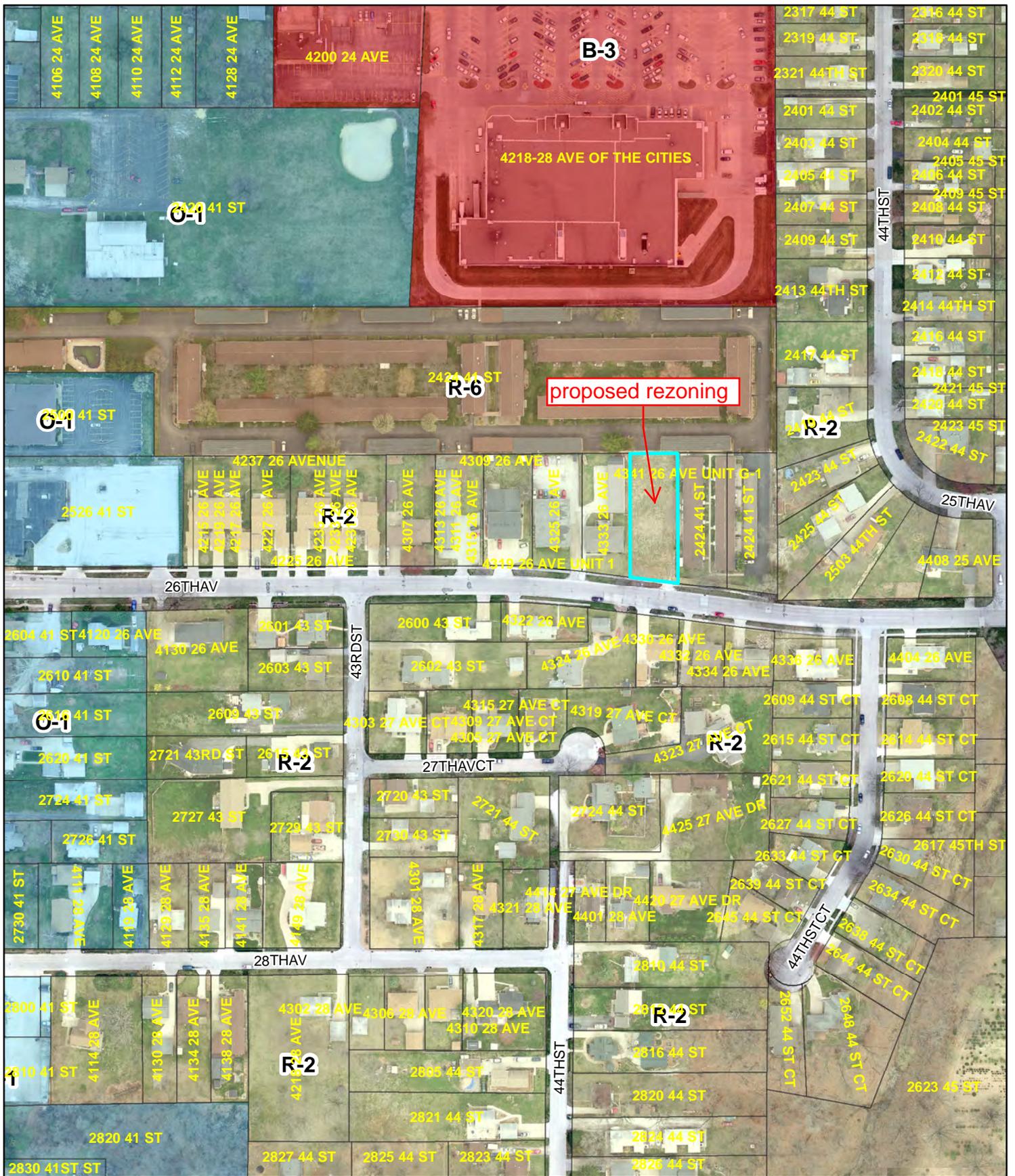
Staff Recommendation: Approval

Fiscal Impact: The levy must be passed and filed with the County Clerk in order to extend property taxes for the municipal portion of the property tax bill and will fund a portion of the 2014 budget.

Public Notice/Recording: Record with County Clerk. No public hearing required as the levy is less than 105% of the previous year.

Goal Impacted: Financially Strong City





1 inch = 200 feet

REQUEST FOR PROPOSAL FOR AN ENGINEERED CANOPY SYSTEM FOR THE CITY OF MOLINE
PUBLIC WORKS DEPARTMENT, FLEET SERVICES DIVISION

Total cost of Engineered Canopy System with LED Lighting \$ 105,717.29

Project Start Date: approx. 4 weeks after signed contract Project Completion Date: Approx 8 weeks from Start date

System Proposed:

All bids include utilizing existing canopy footings.
If footings are deemed unusable for any reason new footings
would be on a time and materials basis.

(attach additional equipment description sheet if necessary)

Pricing for a canopy system of original size for insurance (Approximately 24' X 64'): \$ 60,826.⁵⁶/_{xx}

Option #1: Include the additional amount to have the canopy fascia a color other than white: \$ 12 Standard colors are the same Price

Option #3: Include the additional amount for "City of Moline Public Works" to be displayed with the Moline logo on the east side canopy fascia: \$ 400.00

The undersigned certifies that he/she is a representative of the Vendor shown below and as such representative is authorized to submit this bid on the Vendor's behalf.

Federal Tax Identification Number: 42-1405846

Vendor: Seneca Companies

Address: 4140 E. 14th

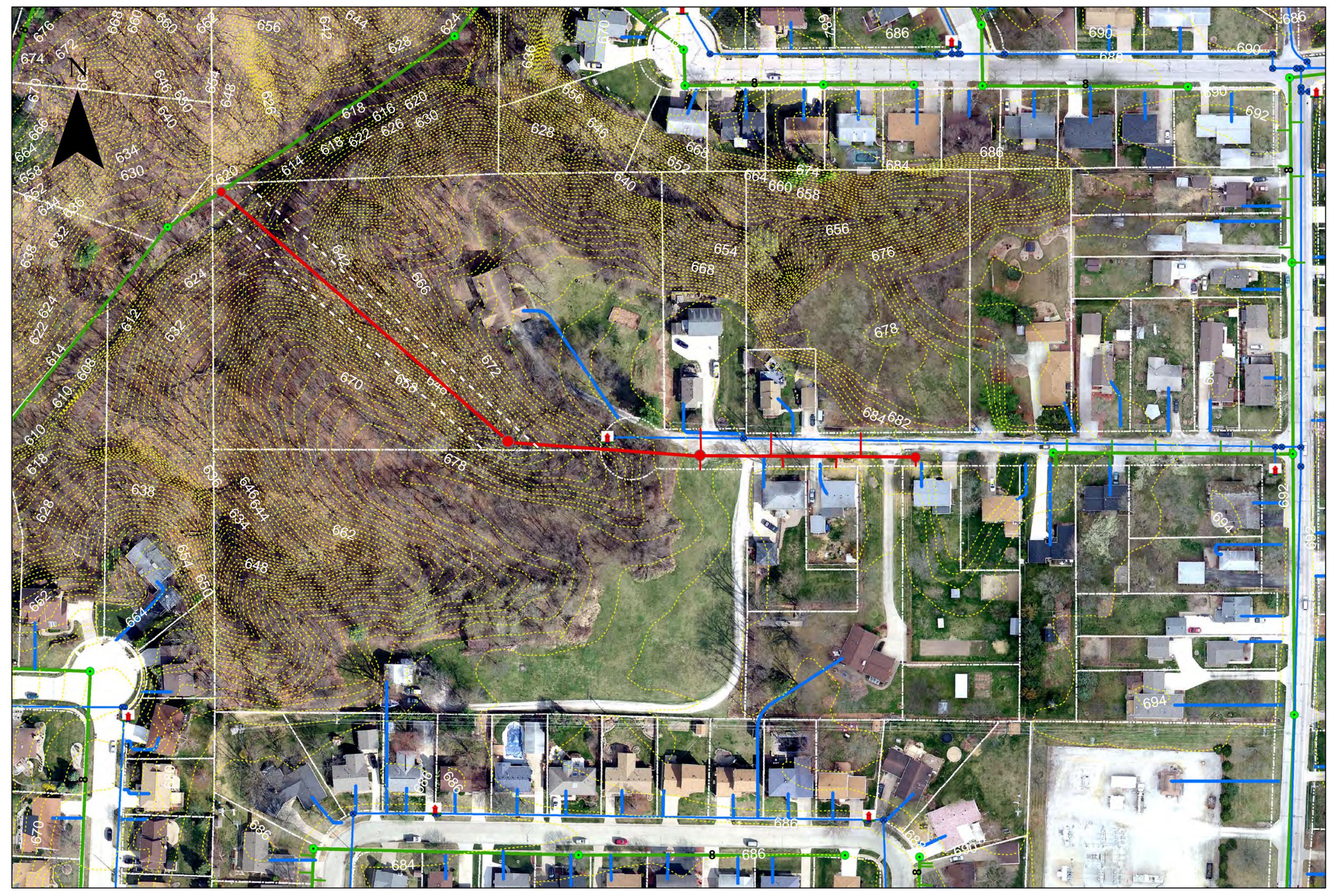
City/State/Zip: Des Moines, IA 50313

Telephone Number: 1-800-369-5500 Fax Number: (515) 264-4322

Authorized Signature: [Signature]

Name/Title: AL HILLGREN VICE PRESIDENT

Date: 8/2/13



Council Bill/Resolution No.: _____
Sponsor: _____

A RESOLUTION

AUTHORIZING the installation of an 8” Sanitary Sewer Force Main under Airport Road and I-280.

WHEREAS, the City of Moline located in the County of Rock Island, State of Illinois, wishes to install an 8” Sanitary Sewer Force Main under Airport Road and I-280 which by law come under the jurisdiction and control of the Department of Transportation of the State of Illinois, and

WHEREAS, a permit from said Department is required before said work can be legally undertaken by said City of Moline; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF MOLINE, ILLINOIS IN THE COUNTY of ROCK ISLAND, STATE OF ILLINOIS as follows:

First: That we do hereby request from the Department of Transportation, State of Illinois, a permit authorizing the installation of the 8” Sanitary Sewer to proceed with the work herein described.

Second: That we hereby pledge the good faith of the City of Moline and guarantee that all work shall be performed in accordance with the conditions of the permit to be granted by the Department of Transportation of the State of Illinois and to hold the State of Illinois, Department of Transportation, harmless on account of any damages that may occur to persons or property during the prosecution of such work and assume all liability for the damages to persons or property due to accidents or otherwise by reason of the work which is to be performed under the provisions of said permit.

Third: That we hereby state that the proposed work is not to be performed by the employees of the City of Moline.

Fourth: That the proper officers of the City of Moline are hereby instructed and authorized to sign said permit on behalf of the City of Moline

I, the Mayor and City Clerk, hereby certify the above to be a true copy of the resolution passed by the City of Moline, County of Rock Island, State of Illinois.

CITY OF MOLINE, ILLINOIS

Mayor

September

Date

Passed: September 24, 2013

Approved: October 5, 2013

Attest: _____
City Clerk

Approved as to form:

City Attorney

**CITY OF MOLINE
RECOMMENDED 2013 PROPERTY TAX LEVY**

ASSESSMENT YEAR COLLECTION YEAR	2012 2013	2013 2014	Change	%
GENERAL	\$0	\$0		
IMRF	\$1,824,680	\$1,838,000	\$13,320	0.73%
FIRE PENSION	\$3,279,525	\$3,479,730	\$200,205	6.10%
POLICE PENSION	\$2,964,365	\$3,114,870	\$150,505	5.08%
LIBRARY	\$2,670,610	\$2,771,580	\$100,970	3.78%
PARK	\$2,612,265	\$2,191,760	(\$420,505)	-16.10%
SOCIAL SECURITY	\$1,332,555	\$1,389,000	\$56,445	4.24%
SANITATION	\$0	\$0		
TOTALS	\$14,684,000	\$14,784,940	\$100,940	0.69%

PROPOSED TERM SHEET FOR DEVELOPMENT AGREEMENT
BETWEEN CITY OF MOLINE AND MOLINE PROMENADE
INVESTORS, LLC FOR QC MULTI-MODAL STATION

9/20/2013

TERMS:

1. GENERAL OVERVIEW OF AGREEMENT

- CITY of Moline will create a new tax increment financing district to finance the City's parking needs.
- CITY will give Moline Promenade Investors, LLC ("DEVELOPER") right to use 80 parking spaces within a one block radius of hotel. Rent shall be at \$50 per space per month with 2% annual increase for the first ten (10) years and at then applicable market rates thereafter but no less than \$50 per space. These spaces shall be ready for use by December 1, 2014.
- DEVELOPER will build an approximate 80 room extended stay hotel on floors 2-6 and new optional (at Developer's option) 7th floor of the O'Rourke Building using "Private Funds" (being defined as all sources of funding other than the existing federal TIGER II and State of Illinois Capital Assistance Funds grants).
- DEVELOPER will finish out the retail or commercial outlets on the 1st floor of O'Rourke Building, separate from common public space for passenger rail service, using Private Funds. DEVELOPER will be solely responsible for leasing retail or commercial space and maintaining commercial or retail space.
- DEVELOPER will split "Net Revenue" (defined as revenue after recovery by Developer of all Private Funds expended by Developer for build-out of space improvements over vanilla shell amortized over the applicable lease terms, all operating expenses associated with the space, and a management fee of 5% of gross revenue) for the retail and/or commercial space on the first floor as follows: 75% to DEVELOPER and 25% to CITY.
- CITY will cause the O'Rourke Building (situated on Lots 5, 6, and 7 of Block 15 and portion of Lot 8 upon which O'Rourke Building sits, if any) to be placed in a condominium regime comprised of three (3) condominium units as follows:
 - a. Unit 1 – Hotel (comprised of lobby area on first floor and also all upper floors)
 - b. Unit 2 – Train station and public area on first floor
 - c. Unit 3 – Commercial-retail space on first floor.

The condominium regime shall be in a form and substance mutually acceptable to CITY and DEVELOPER.

- DEVELOPER will purchase from CITY condominium Unit 1 and condominium Unit 3 for \$1.3 million.
- DEVELOPER will have option to purchase remainder of site (Lot 8 of Block 15, vacated 13th Street right of way, and Lots 5, 6, and 7 of Block 16) for \$1. Option must be exercised by December 31, 2019 with a lease back to the CITY on any common areas used by the train station. Additionally, DEVELOPER shall grant any easements necessary for access and placement of utilities should it exercise its option.
- CITY will give right of first refusal to DEVELOPER for purchase of any adjoining property that is owned by the CITY, under purchase contract by the CITY, or subject to a purchase option in favor of the CITY.
- DEVELOPER shall allow for access by the CITY, or control in case of default, to the roof and exterior walls and any other part of the premises improved by TIGER or State funds as part of the Multi-Modal Station Project, as required by FTA or other pertinent State or Federal guidelines.
- The public areas of the property, being condominium Unit 2, are subject to an Intergovernmental Agreement between MetroLINK and the CITY whereby MetroLINK will operate such public areas. The CITY and the DEVELOPER understand that DEVELOPER and MetroLINK will enter into an agreement whereby MetroLINK will contract with DEVELOPER or its assigns to provide maintenance services for such public areas. CITY, as the owner of condominium Unit 2, understands that CITY will assume the contract with DEVELOPER or its assigns regarding the provision of such maintenance services if MetroLINK ceases to perform under such contract.
- CITY and DEVELOPER agree to meet all ADA accessibility requirements for the Project.
- CITY and DEVELOPER agree to meet all requirements of the State Historic Preservation Office.

2. **FINANCIAL INCENTIVES/PROPERTY TAXES**

- DEVELOPER agrees to purchase condominium Unit 1 and condominium Unit 3 from CITY on an installment note for the aggregate sum of \$1.3 million. Annual installments on the note will be \$86,667, and the first installment payment will be due upon DEVELOPER'S receipt of the property tax rebate referenced in the next paragraph.
- CITY will rebate from the property tax increment to DEVELOPER \$86,667 per year until the \$1.3 million purchase price is paid to the City, provided that the total increment generated is equal to or greater than \$86,667 per year. DEVELOPER will use such rebated increment to make installment payments to CITY for purchase price without interest. The property tax rebate period will commence with the tax payment year following the January 1 assessment that immediately follows the calendar year in which a certificate of occupancy is issued and the project is first assessed. In the first year assessment, should the tax increment generated be less than \$86,667, CITY will rebate the amount actually generated and DEVELOPER will make its first installment payment

in an equal amount. Payment in future years shall continue with annual installment payments of \$86,667 until the \$1.3 million purchase price is paid in full.

- In addition to the \$86,667 annual rebate referenced in the preceding paragraph, CITY agrees to rebate certain excess property taxes, upon proof of TIF eligible expenses, to DEVELOPER as follows from the date of execution of the Development Agreement:
 - Years 1 – 5: City shall rebate any property taxes over \$165,000 annually on the hotel and first floor retail portion.
- DEVELOPER agrees to the following minimum annual taxes (before rebates) on the hotel portion in the tax payment years following the January 1 assessment that immediately follows the calendar year in which a certificate of occupancy is issued and the project is first assessed:
 - Years 1 – 3: DEVELOPER shall pay a minimum of \$140,000 in property taxes on the hotel portion (if taxes are less than this amount, the DEVELOPER makes a payment in lieu of taxes to equal \$140,000)
 - Years 4 –10: DEVELOPER shall pay a minimum of \$150,000 in property taxes on the hotel portion (if taxes are less than this amount, the DEVELOPER makes a payment in lieu of taxes to equal \$150,000)
- CITY shall not offer economic incentives to any other limited service hotel within the downtown area as defined by 12th Street on the west to 38th Street on the east and from 7th Avenue on the south to the Mississippi River for a period of five years from the date of execution of this Agreement. This paragraph does not apply to Enterprise Zone benefits that would be available to a new hotel developer without any action by the CITY.
- DEVELOPER will be exempt from permit fees for project but has to pay for plan review.

3. CONSTRUCTION

- MetroLINK and CITY will elicit bids, contract, and oversee construction of the public portions of the Multi-Modal Station, including the access ways on first floor, the waiting area for Amtrak passengers, the office area/IT space for Amtrak, the roof, the skywalk across the train tracks, landscaping, streetscaping, public restrooms, parking and other public improvements as eligible under the TIGER and State grant funds and the core and shell of the entire O'Rourke Building.
- DEVELOPER will elicit bids, contract and oversee construction (as applicable) to finish commercial areas not included in public improvements undertaken by MetroLINK and CITY on the 1st (ground) floor of the O'Rourke Building using Private Funds.
- DEVELOPER will elicit bids, contract and oversee construction of the extended stay hotel to be built on floors 2-6 and new optional (at Developer's option) 7th floor of O'Rourke Building using Private Funds.
- CITY and DEVELOPER shall participate in the Design Build Management Team ("DBMT") process through Renew Moline. Parties shall also participate in weekly

contractor/architect meetings prior to and during construction. Any design conflicts between or among the architects or contractors shall be resolved through the DBMT process.

- Streetscaping will be undertaken using State and Federal grant funds
- CITY will relocate water, sanitary sewer and storm sewer utilities in the vacated 13th Street right-of-way and/or in 4th Avenue to accommodate this proposed redevelopment of the MMS site, at no cost to DEVELOPER (estimated to cost the CITY \$1.35 million). CITY expects that approximately \$710,000 in state or federal money will be used for this utility relocation, a final number to be agreed upon in the budget for the Project. All utility work will be done in conformance with FTA Buy America requirements.
- The Parties shall agree upon timelines and schedule for construction within 90 days of date this term sheet is approved by the Parties.
- DEVELOPER shall submit conceptual drawings for project within 90 days of date this term sheet is approved by the Parties.
- The conceptual drawings and construction schedule shall be incorporated as terms of the Development Agreement.
- A special use permit shall be applied for by the DEVELOPER and CITY in order to develop the Project Property as it is greater than 50,000 square feet. CITY makes no representation as to whether the permit will be granted, but CITY agrees that CITY staff will recommend approval of the special use to Plan Commission as long as the application meets all requirements.
- CITY shall provide existing NFR letter to DEVELOPER for ground contamination prior to DEVELOPER purchasing the property. CITY shall also remove all lead paint and asbestos from the property and provide a qualified environmental engineer's certification of such removal to DEVELOPER. Although the parties contemplate that the bulk of such remediation will be completed prior to DEVELOPER purchasing the property, it is understood that certain items, including, but not limited to, removal of existing windows containing lead paint and removal of roof flashing mastic, may, according to agreement between CITY and DEVELOPER, be deferred and identified as items to be completed at CITY expense post-closing when necessary or appropriate to preserve project weather protection or to promote efficiency.
- DEVELOPER will employ "green" technology to the extent reasonably and economically feasible in the renovation of the O'Rourke Building.
- CITY will provide on street parking along the north and south right-of-way of 4th Avenue, subject to approval by the Illinois Department of Transportation.
- DEVELOPER agrees to comply with all applicable building codes that are in effect as of the date of execution of this Agreement.
- The Parties shall work in good faith and cooperatively to mutually agree to the final construction budget.

4. **GENERAL**

- The CITY agrees to aid and assist DEVELOPER and its assigns in enforcing timelines for funding of the public improvements, implementing train service, and completing construction by MetroLINK as administrator of the TIGER II grant. The Parties understand and acknowledge that neither the CITY nor MetroLINK have control over the start dates for train service or timing of receipt of the grant funds but that the CITY will work expeditiously to ensure these activities occur in a timely manner.
- DEVELOPER may assign its rights and responsibilities under the Development Agreement to affiliated entities.
- CITY AND DEVELOPER agree to indemnify and hold harmless the other for any claims that arise during the construction period.
- CITY shall indemnify and hold DEVELOPER and its assigns harmless for any claims arising from or related to condominium Unit 2.
- DEVELOPER or its assigns shall indemnify and hold CITY harmless for any claims arising from or related to condominium Unit 1 and condominium Unit 3.
- DEVELOPER or its assigns shall indemnify and hold CITY harmless from any and all claims and liabilities arising out of DEVELOPER'S or assigns' plan and implementation of plan to obtain Historic Tax Credits for the rehabilitation work to the O'Rourke Building. CITY agrees to cooperate with and support, to a reasonable extent, DEVELOPER'S seeking Historic Tax Credits for the project.
- CITY and DEVELOPER agree they have the authority to execute the Development Agreement.
- The Parties agree to good faith cooperation in executing the Project pursuant to the Development Agreement.
- The Parties agree that the Development Agreement is subject to FTA review and approval, and rejection by FTA renders Agreement null and void.
- DEVELOPER shall provide evidence of its equity and ability to obtain construction financing for the hotel and retail/commercial development prior to triggering any obligations by the CITY pursuant to the Development Agreement.
- The Parties agree to incorporate standard default and remedies language in the Development Agreement.

ONCE THE ABOVE TERMS ARE AGREED TO BY THE PARTIES:

- CITY shall authorize the allocation of up to \$99,000 in state funds for design work to be done by DEVELOPER's architect for conceptual drawings to be completed of core, shell and train station of O'Rourke Building, provided that the parties have agreed that DEVELOPER's architect is the architect responsible for designing these areas. This work will be done outside of the Project budget defined in the Federal TIGER Agreement.

PRIOR TO EXECUTION OF THE DEVELOPMENT AGREEMENT:

- A preliminary construction budget shall be decided and agreed upon by the CITY, DEVELOPER, and MetroLINK.
- A determination on who is designing the first floor of the O'Rourke Building needs to be made with a break-down of exactly which architect is designing what part of the design.
- Conceptual drawings need to be completed.
- Ownership structure of Project Property needs to be finalized.

IN WITNESS WHEREOF, the parties hereto have executed this Term Sheet on the dates set forth above their respective signatures.

THE CITY OF MOLINE, ILLINOIS

DATED: _____

Scott Raes, Mayor

Attest: _____

Tracy A. Koranda, City Clerk

Approved as to form:

Maureen E. Riggs, City Attorney

**MOLINE PROMENADE
INVESTORS, LLC**

DATED: _____

By: _____

_____, _____
Name Title