

FY 2012  
ANNUAL TAX INCREMENT FINANCE  
REPORT



Name of Municipality: Moline Reporting Fiscal Year: **2012**  
 County: Rock Island Fiscal Year End: **12/31/2012**  
 Unit Code: 081-050-30

TIF Administrator Contact Information			
First Name: <u>Patrick</u>	Last Name: <u>Burke</u>		
Address: <u>619 16th Street</u>	Title: <u>Economic Development Manager</u>		
Telephone: <u>309-524-2034</u>	City: <u>Moline</u>	Zip: <u>61265</u>	
Mobile _____	E-mail: <u>pburke@moline.il.us</u>		
Mobile Provider _____	Best way to contact: <input checked="" type="checkbox"/> Email	<input type="checkbox"/> Phone	
	<input type="checkbox"/> Mobile	<input type="checkbox"/> Mail	

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of \_\_\_\_\_  
 is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]  
Patrick Burke 7/29/13  
 Written signature of TIF Administrator Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)\*)

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
TIF #1 Downtown	12/16/1986	
TIF #2 One Moline Place	10/27/1998	
TIF #3 Old Moline High School	4/13/2004	
TIF #4 Autumn Trails	9/27/2005	
TIF #5 KONE Centre	2/10/2009	
TIF #6 Moline Place Phase II & III	2/9/2010	
TIF #7 Moline Business Park	6/21/2011	
TIF #8 Route 6 & 150	12/4/2012	
TIF #9 41st Street	12/11/2012	

\*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]**

<b>Name of Redevelopment Project Area:</b>	KONE Centre
<b>Primary Use of Redevelopment Project Area*:</b>	Combination/Mixed
<b>If "Combination/Mixed" List Component Types:</b>	Office/Residential
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>	
<b>Tax Increment Allocation Redevelopment Act</b> <input checked="" type="checkbox"/>	<b>Industrial Jobs Recovery Law</b> <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] <b>If yes, please enclose the amendment labeled Attachment A</b>	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] <b>Please enclose the CEO Certification labeled Attachment B</b>		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If yes, please enclose the Analysis labeled Attachment J</b>	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)] <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] <b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] <b>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</b>	X	

\* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**  
**Provide an analysis of the special tax allocation fund.**

Fund Balance at Beginning of Reporting Period \$ 7,914

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 32,366	\$ 32,366	78%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 2	\$ 2	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources		\$ 9,319	22%
Other (identify source _____; if multiple other sources, attach schedule)			0%

\*must be completed where 'Reporting Year' is populated

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period** \$ 32,368

**Cumulative Total Revenues/Cash Receipts** \$ 41,687 100%

**Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)** \$ -

**Distribution of Surplus**

**Total Expenditures/Disbursements** \$ -

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS** \$ 32,368

**FUND BALANCE, END OF REPORTING PERIOD\*** \$ 40,282

\* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

PAGE 1

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND  
(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
		\$ -
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -



**SECTION 3.2 A**

**PAGE 3**

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ -</b>



**SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))**  
**Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period**

**FUND BALANCE, END OF REPORTING PERIOD** \$ 40,282

	Amount of Original Issuance	Amount Designated
<b>1. Description of Debt Obligations</b>		

**Total Amount Designated for Obligations** \$ - \$ -

<b>2. Description of Project Costs to be Paid</b>		
Transfer to TIF 1 for repayment of infrastructure costs		\$ 40,282

**Total Amount Designated for Project Costs** \$ 40,282

**TOTAL AMOUNT DESIGNATED** \$ 40,282

**SURPLUS\*/(DEFICIT)** \$ -

\* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

**SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]**

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

**No property was acquired by the Municipality Within the Redevelopment Project Area**

**Property Acquired by the Municipality Within the Redevelopment Project Area**

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

**SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)**  
**PAGE 1**

If **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area, indicate so in the space provided: \_\_\_\_\_

If Projects **WERE** undertaken by the Municipality Within the Redevelopment Project Area enter the **TOTAL** number of projects and list them in detail below. 1

**SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED IF PROJECTS ARE LISTED ON THESE PAGES**

<b>TOTAL:</b>	<b>11/1/99 to Date</b>	<b>Estimated investment for Subsequent Fiscal Year</b>	<b>Total Estimated to Complete Project</b>
Private Investment Undertaken (See Instructions)	\$ 30,000,000	\$ -	\$ 30,000,000
Public Investment Undertaken	\$ 10,000,000	\$ -	\$ 10,000,000
Ratio of Private/Public Investment	3		3

<b>Project 1:</b>			
<b>KONE Centre</b>			
Private Investment Undertaken (See Instructions)	\$ 30,000,000		\$ 30,000,000
Public Investment Undertaken	\$ 10,000,000		\$ 10,000,000
Ratio of Private/Public Investment	3		3

<b>Project 2:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 3:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 4:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

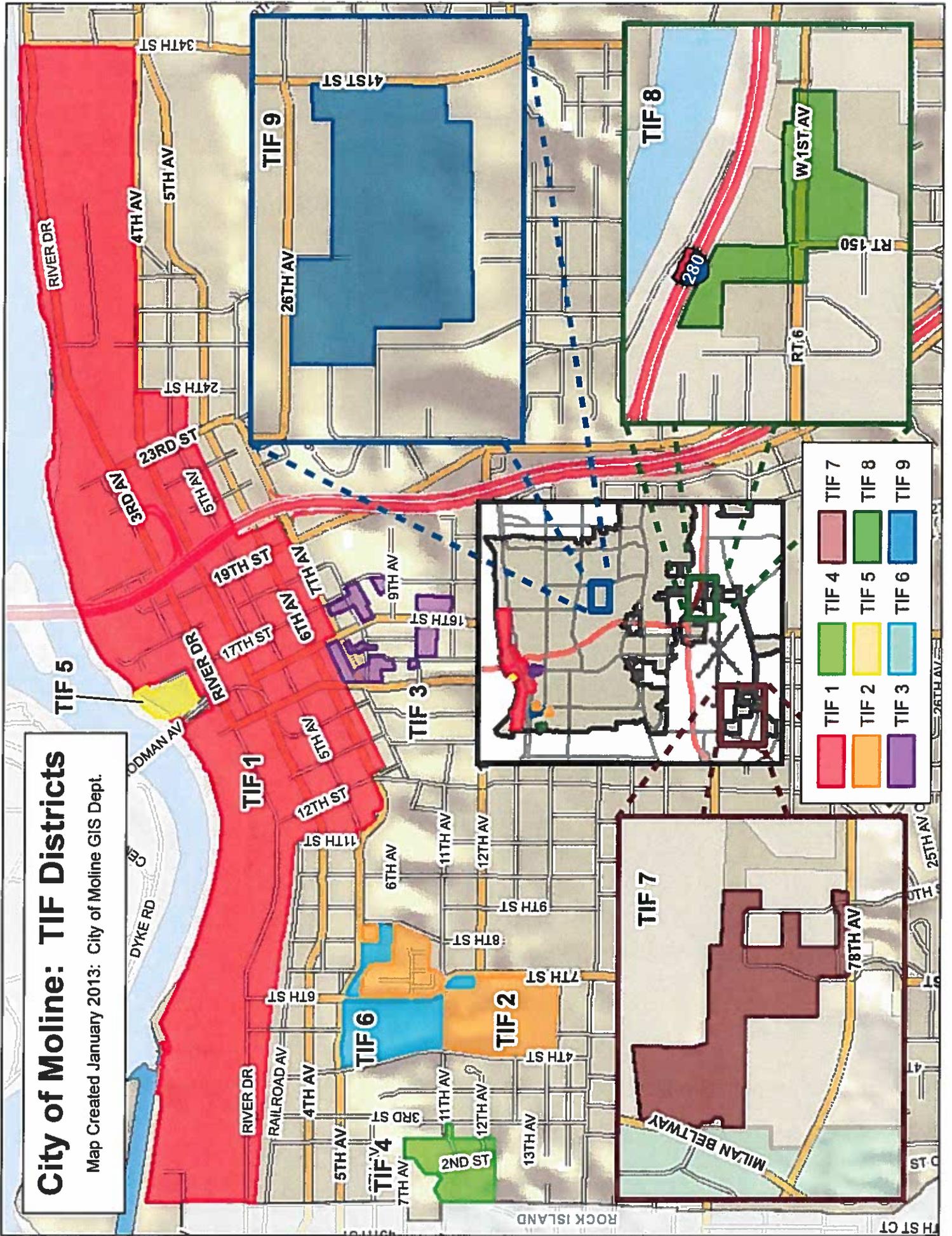
<b>Project 5:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 6:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0



# City of Moline: TIF Districts

Map Created January 2013: City of Moline GIS Dept.



TIF 1	TIF 2	TIF 3	TIF 4	TIF 5	TIF 6	TIF 7	TIF 8	TIF 9
[Red Box]	[Orange Box]	[Purple Box]	[Green Box]	[Yellow Box]	[Light Blue Box]	[Brown Box]	[Dark Green Box]	[Blue Box]

**ATTACHMENT B**

**TIF 1 - 9**

**Certification of Chief Executive Officer**

I, Scott Raes, am the duly elected Chief Executive Officer of the City of Moline, County of Rock Island, State of Illinois, and as such do hereby certify that the City of Moline has complied with all requirements pertaining to the Tax Increment Financing Redevelopment Act during fiscal year 2012 (January 1<sup>st</sup> - December 31<sup>st</sup>).

11/6/13  
Date

Scott Raes  
Scott Raes, Mayor

**TIF 1 - 9**  
**OPINION OF LEGAL COUNSEL**

I, Maureen Riggs, am the City Attorney for the City of Moline, Illinois.

I have received all information provided to me by the city administration, and based on that information, I believe that the City of Moline has conformed to all applicable requirements of the Tax Increment Redevelopment Allocation Act (found generally at 65 ILCD 5/11-74.4-1, et seq) set forth there under to the best of my knowledge and belief for fiscal year 2012 (January 1<sup>st</sup> - December 31<sup>st</sup>).

11.5.13  
Date

  
\_\_\_\_\_  
Maureen Riggs, City Attorney

## ATTACHMENT D

### TIF 5 ACTIVITIES STATEMENT

KONE Centre officially opened August 9, 2012. The eight story, 125,000 sf office, retail, and residential building cost \$41.3 million. KONE leased four floors for 15 years. The project retained 250 KONE employees.

KONE Centre was certified a platinum LEED Core & Shell building. It was the first such designation in Illinois.

**ATTACHMENT E**

**TIF 5**  
**2012 AGREEMENTS**

The following agreements were executed during this reporting fiscal year.

Council Bill/Resolution No. 1205-2012

Sponsor: \_\_\_\_\_

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute a First Amendment to Promissory Note, First Amendment to Loan and Property Development Agreement, and First Amendment to Collateral and Security Agreement between Financial District Properties HQO, L.L.C., an Illinois limited liability company, and the City.

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WHEREAS, in 2007, the City approved a loan to Financial District Properties HQO, L.L.C. (HQO) in the amount of \$7.5 million, and was granted first position mortgage to allow HQO to purchase the old KONE property; and

WHEREAS, the term of the loan was 36 months with a maturity date of December 31, 2010; and

WHEREAS, as the promissory note approached maturity, HQO indicated it would be unable to pay off the loan due to economic conditions; and

WHEREAS, Council Bill 1246-2010 authorized the Mayor and City Clerk to enter into a Collateral and Security Agreement with HQO; and

WHEREAS, the Collateral and Security Agreement provided for additional security for the City's Seven Million, Five Hundred Thousand Dollar (\$7,500,000.00) loan, and the City also agreed and contracted with HQO to refinance the remaining principal balance owed on the Loan for three years at an interest rate of 3.25% per annum, monthly interest payments only; and

WHEREAS, at the time the Collateral and Security Agreement was entered, there were no written amendments made to the Loan Agreement or Promissory Note regarding the change in the interest rate or the extension of the term of the note; and

WHEREAS, the parties have continued, since December 31, 2010, to operate under the original Loan Agreement and Promissory Note, but according to the terms set forth in the Collateral and Security Agreement; and

WHEREAS, the attached First Amendment to Loan and Property Development Agreement (Exhibit A) and the First Amendment to Promissory Note (Exhibit B) amend the Loan Agreement and Promissory Note pursuant to the terms in the Collateral and Security Agreement; and

WHEREAS, the attached First Amendment to Collateral and Security Agreement (attached hereto as Exhibit C) amends the date monthly payments are due under Paragraphs IV and V.

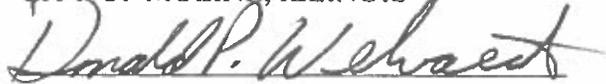
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That the Mayor and City Clerk are hereby authorized to execute the First Amendment to Loan and Property Development Agreement between HQO and the City, provided said Agreement is substantially similar in form and content to that attached hereto and incorporated herein by this reference thereto as Exhibit A, and has been approved as to form by the City Attorney.

BE IT FURTHER RESOLVED that the Mayor and City Clerk are hereby authorized to execute the First Amendment to Promissory Note between HQO and the City, provided said document is substantially similar in form and content to that attached hereto and incorporated herein by this reference thereto as Exhibit B, and has been approved as to form by the City Attorney.

BE IT FURTHER RESOLVED that the Mayor and City Clerk are hereby authorized to execute the First Amendment to Collateral and Security Agreement between HQO and the City, provided said Agreement is substantially similar in form and content to that attached hereto and incorporated herein by this reference thereto as Exhibit C, and has been approved as to form by the City Attorney.

CITY OF MOLINE, ILLINOIS



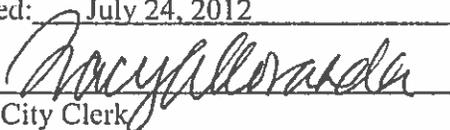
Mayor

July 17, 2012

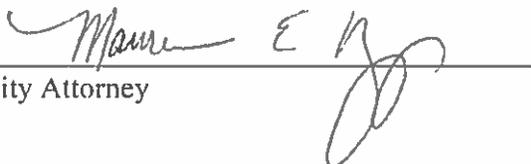
Date

Passed: July 17, 2012

Approved: July 24, 2012

Attest:   
City Clerk

Approved as to Form:

  
City Attorney

## **First Amendment to Collateral and Security Agreement**

This First Amendment to Collateral and Security Agreement is made and entered into on this 23<sup>rd</sup> day of July, 2012, by and between the City of Moline, Illinois, a municipal corporation (hereinafter "City"), and Financial District Properties HQO, L.L.C., an Illinois limited liability company (hereinafter "HQO"), FDP, Inc., an Iowa corporation ("FDP"), Hilltop Properties, L.L.C., an Iowa limited liability company ("Hilltop"), Jodi Blackwell, individually ("Jodi") and Rodney Blackwell, individually ("Rodney").

**Whereas**, the parties entered into a certain Collateral and Security Agreement dated December 16, 2010 (hereinafter "Agreement"); and

**Whereas**, the City and HQO have disagreed over the payments required under paragraphs IV and V of the Collateral and Security Agreement; and

**Whereas**, the City and HQO have reached resolution on the payments required under Paragraphs IV and V and agreed to amend the Collateral and Security Agreement to reflect their resolution; and

**Whereas**, the City acknowledges that as of September 30, 2011, HQO is current on all required payments; and

**Whereas**, under Paragraph VIII of the Collateral and Security Agreement, amendment to the Agreement must be in writing and signed by all parties.

NOW THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and HQO hereby modify the Agreement as follows:

1. Paragraph IV is hereby deleted in its entirety and replaced with the following:

IV. Commencing December 31, 2010, whether HQO is in default or not, HQO shall pay to the City two thousand dollars (\$2,000.00) per month for twenty-four (24) months, to be used for general fund purposes. Said payment for general fund purposes shall be made on the 21<sup>st</sup> day of each month. Prior to the conclusion of the twenty-four (24) months referenced herein, HQO shall place thirty-six thousand dollars (\$36,000.00) in an escrow account acceptable to the City to guarantee an additional 12 months of \$3,000.00 monthly payments. These payments for general fund purposes shall cease and no longer be required by HQO hereunder at such time as the Loan is paid off in full.

2. Paragraph V is hereby deleted in its entirety and replaced with the following:

V. Commencing December 31, 2010, and continuing on the 21<sup>st</sup> day of each month thereafter through November 21, 2012, HQO shall make an additional payment of sixteen thousand dollars (\$16,000.00) per month; and commencing December 21, 2012, and continuing on the 21<sup>st</sup> day of each month thereafter through the end of the term of the Loan, HQO shall make an additional payment of fifteen thousand dollars (\$15,000.00) per month. All payments under this paragraph to be applied to any outstanding indebtedness of the Loan, beginning first with unpaid costs of the City allowed by the Loan, then unpaid delinquent interest owed on the Loan, then unpaid principal on the Loan.

3. Except as amended herein, the parties re-state and re-affirm all other provisions of the Collateral and Security Agreement dated December 16, 2010.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Collateral and Security Agreement on the dates set forth above their respective signatures.

City of Moline, Illinois

Dated: 7/23/12

By: Donald P. Welvaert  
Donald P. Welvaert, Mayor

Attest: Tracy A. Koranda  
Tracy A. Koranda, City Clerk

Approved as to form:

Maureen E. Riggs  
Maureen E. Riggs, City Attorney

**Financial District Properties HQO, L.L.C.**

Dated: 6/7/12

By:   
Rodney A. Blackwell, Manager

**FDP, Inc.**

Dated: 6/7/12

By:   
Rodney A. Blackwell, President

**Hilltop Properties, L.L.C.**

Dated: 6/7/12

By:   
Rodney A. Blackwell, Manager

  
Jodi Blackwell

Dated: 6/7/12

  
Rodney A. Blackwell

Dated: 6/7/12

**First Amendment to Loan and Property Development Agreement between the City of  
Moline and Financial District Properties HQO, L.L.C., et al.**

This First Amendment to Loan and Property Development Agreement (hereinafter "Amendment") is made and entered into on this 23<sup>rd</sup> day of July 2012, by and between the City of Moline, Illinois, a municipal corporation (hereinafter "City"), and Financial District Properties HQO, L.L.C., an Illinois Limited Liability Company (hereinafter "Developer"), and Rodney A. Blackwell, Guarantor.

**RECITALS**

**Whereas**, the City and Developer entered into a certain Loan and Property Development Agreement dated December 5, 2007 (hereinafter "Loan Agreement"); and

**Whereas**, pursuant to such agreement, the City issued bonds in order to provide Developer with a loan in an amount not to exceed Seven Million Five Hundred and Fifty Thousand and no/100ths Dollars (hereinafter "Loan"); and

**Whereas**, Developer agreed to repay the Loan by entering into that certain promissory note dated as of December 17, 2007 in favor of the City in the principal amount of \$7,550,000.00 which had an original maturity date of December 31, 2010 ("Note"); and

**Whereas**, Developer previously indicated it was unable, due to economic conditions, to obtain the financing necessary to pay off the Note on December 31, 2010; and

**Whereas**, the City and Developer entered into a Collateral and Security Agreement dated December 16, 2010 (hereinafter "Collateral and Security Agreement"), in which the City agreed and contracted with Developer to refinance the remaining principal balance owed on the Note for a period of three (3) years, at an interest rate of 3.25% per annum, monthly interest only payments to be made by Developer; and

**Whereas**, the City obtained a line of credit loan and paid off the remaining balance of the bonds pursuant to the Collateral and Security Agreement; and

**Whereas**, the Developer has continued to be indebted to the City to repay the Note and has continued to remit payments to the City for the interest each month and a portion of the principal; and

**Whereas**, that from December 31, 2010, to the date of this Amendment, Developer paid the City all interest owed to date and is current on its interest only payments; and

**Whereas**, the City and Developer have continued to abide by and work under the Loan Agreement; and

**Whereas**, the parties have reached an agreement regarding the amendments to this Loan Agreement and now set forth their agreement in writing; and

**Whereas**, the City and Developer will also amend the Note as of the date hereof;

**Whereas**, City and Developer desire to amend the Loan Agreement and certain exhibits attached thereto; and

**Whereas**, amendment of the Loan Agreement is allowed under Section VI of the Loan Agreement if the amendment is in writing and signed by the Developer and City.

NOW THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Developer hereby contract and agree as follows:

1. The recitals above are incorporated herein by reference.
2. The following is hereby added as Section I. B. to the Loan Agreement:

By December 31, 2010, the City shall pay off the bonds and refinance the remaining balance of the bonds by obtaining a line of credit loan. Developer shall continue to repay the City for this economic assistance. As of December 31, 2010, the outstanding principal balance of the Note attached as Exhibit "B" to the Loan Agreement, was \$6,782,917.00. The refinanced amount of the Note to the Developer shall be \$6,782,917.00 at a rate of three and one-quarter percent (3.25%) per annum and the term of the note shall be thirty-six (36) months from the date of closing, with said date of closing being December 31, 2010, which shall be evidenced by an amendment to the Note dated as of the date hereof (hereinafter "Refinanced Note"). The Refinanced Note shall continue to be secured by a first lien mortgage against the Property, which was previously recorded.

3. The word "bonds" set forth repeatedly in Section II.B.(iii) is hereby deleted and replaced with "bonds or any loans."
4. Section II.B. (viii) is hereby deleted in its entirety.
5. The word "bonds" is hereby deleted in Section III.C.(i) and in Section III.C.(iii) and replaced with "bonds or any loans."
6. Section IV.A. is hereby deleted in its entirety and replaced with Sections IV.A. 1. and IV.A. 2. and IV.A.2.a. which read as follows:

1. Pursuant to the Note to be executed by Developer, Developer shall submit funds to the City of Moline on the seventeenth of each month. The first payment being due on the seventeenth of January 2008 and continuing on the seventeenth of each month thereafter ("monthly payment"). Monthly payments shall consist of interest-only payments for thirty-six (36) months with the remaining principal and interest balance due on the bonds due on the last day of the thirty-sixth (36th) month. In addition, the entirety of all proceeds of the sale of any mortgaged parcel shall be placed in an ESCROW account to be established exclusively for the payment of any principal remaining on the bonds. The maturity date for the bonds being December 31, 2010. The terms and provisions contained in this paragraph shall not apply to the Refinanced Note.
  
2. In regards to the Refinanced Note, pursuant to the Note attached as Exhibit B and any amendments thereto executed by Developer, Developer shall submit funds to the City of Moline on the twenty-first day of each month. The first payment being due on the twenty-first day of January 2011 and continuing on the twenty-first of each month thereafter ("monthly payment"). Monthly payment shall consist of interest-only payments for thirty-six (36) months with the remaining principal and interest balance due on the Refinanced Note due on the last day of the thirty-sixth (36<sup>th</sup>) month, that being December 31, 2013. In addition, the entirety of all proceeds of the sale of any mortgaged parcel shall be applied as an additional or prepayment as set forth in the Refinanced Note.
  - a. The City and Developer further agree that the amount of monthly interest payments due on the Refinanced Note will be as set forth in the Refinanced Note.
  
7. Section IV.C. is hereby deleted in its entirety and replaced with the following:
  - (i) Developer agreed that should the monthly rental income collected from Kone, Inc. pursuant to the Lease Agreement exceed Developer's monthly interest payment for the Loan, Developer shall place any and all excess rental income in a Keylock Account, at an institution of City's choosing, where proceeds can only be disbursed to City to pay down the principal on the loan. The terms and provisions contained in this paragraph shall not apply to the Refinanced Note.
  
  - (ii) Developer agrees to execute an authorization allowing the City to automatically withdraw the amount of Thirty-seven Thousand and 00/100 Dollars

(\$37,000.00) each month from Developer's bank account for payment under the Refinanced Note. Of the \$37,000.00 withdrawn each month, the monthly accrued interest payment owed on the remaining principal balance shall be paid first. The amount remaining after payment of said interest will be applied in the following order: to Developer's monthly payment obligations under Paragraph IV of the Collateral and Security Agreement, to Developer's monthly payment obligations under Paragraph V of the Collateral and Security Agreement, and finally to pay down the principal balance owed on the Refinanced Note. In addition, Developer may make further prepayments or additional payments under the Refinanced Note at any time and same shall immediately be applied and credited against the remaining principal balance owed on the Refinanced Note.

8. Section IV.D. is hereby deleted in its entirety and replaced with the following:

(i) Should the Thirty Thousand and No/Dollars (\$30,000.00) rental income collected from Kone, Inc. be insufficient to pay the monthly interest payment for the Loan, Developer shall be responsible to supplement the payment with (a) funds from the Developer's L.L.C. pursuant to the promissory note; and (b) with private funds pursuant to his personal guaranty, sufficient to cover the entire interest payment. The terms and provisions contained in this paragraph shall not apply to the Refinanced Note.

(ii) Should the Thirty-seven Thousand and 00/100 Dollars (\$37,000.00) automatically withdrawn from Developer's bank account and paid to the City be insufficient to pay the monthly interest payment for the Refinanced Note obtained pursuant to this Agreement, and Developer's payment obligations under Paragraph IV and Paragraph V of the Collateral and Security Agreement, Developer shall be responsible to supplement the payment, so that it covers the entire amount due, with (a) funds from the Developer's L.L.C. pursuant to the Promissory Note; (b) private funds pursuant to Guarantor's Personal Guaranty; and (c) Guaranties and the Collateral Assignment of Certain Financial Interests all attached to the Collateral and Security Agreement.

9. Notwithstanding the expiration of the term of the Loan Agreement, the City and Developer have continued to act in accordance with the terms of the Loan Agreement. The City and Developer hereby re-state, re-affirm and adopt the document, excepting only those sections hereby amended in this document.

10. The City and Developer ratify all actions taken by either one or both of them from December 31, 2010, to the date hereinabove set forth.

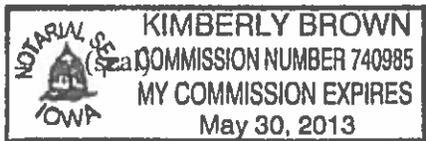


**Financial District Properties HQO, L.L.C.,**  
an Illinois limited liability company,

By: \_\_\_\_\_  
Rodney A. Blackwell, Manager

STATE OF IOWA                                    )  
  ) SS:  
COUNTY OF SCOTT                            )

On this 7<sup>th</sup> day of June, 2012, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Rodney A. Blackwell, to me personally known, who being by me duly sworn did say that he is the Manager of Financial District Properties HQO, L.L.C., executing the within and foregoing instrument to which this is attached; that said instrument was signed on behalf of said corporation and such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.



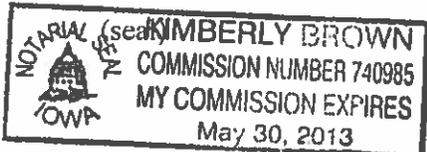
Kimberly Brown  
NOTARY PUBLIC

**Personally guaranteed by:**

\_\_\_\_\_  
Rodney A. Blackwell, Guarantor

STATE OF IOWA                                    )  
  ) SS:  
COUNTY OF SCOTT                            )

On this 7<sup>th</sup> day of June, 2012, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Rodney A. Blackwell, executing the within and foregoing instrument to which this is attached; that he signed said instrument as Guarantor; and acknowledged the execution of said instrument to be his voluntary act and deed.



Kimberly Brown  
NOTARY PUBLIC

### First Amendment to Promissory Note

This First Amendment to Promissory Note is entered into on this 23<sup>rd</sup> day of July 2012, by Financial District Properties HQO, L.L.C., an Illinois limited liability company (hereinafter "Borrower"), and is approved, as to form, by the City of Moline, Illinois, a municipal corporation (hereinafter "Lender"), and is acknowledged by Rodney A. Blackwell (hereinafter "Guarantor").

### RECITALS

**Whereas**, Borrower executed a Promissory Note dated December 17, 2007, promising to pay the City the sum of \$7,550,000.00, plus interest; and

**Whereas**, the term of the Note was 36 months from the date of execution and provided for interest only payments each month and called for a balloon payment at the end of the term; and

**Whereas**, the terms of that Note specified Borrower may change the terms of this Agreement only by another written Agreement; and

**Whereas**, Borrower and Lender entered into a Collateral and Security Agreement dated December 16, 2010, (hereinafter "Collateral and Security Agreement") in which the Lender agreed and contracted with Borrower to refinance the remaining principal balance owed on the loan for a period of three (3) years, at an interest rate of 3.25% per annum, monthly interest only payments to be made by Borrower; and

**Whereas**, Borrower and Lender desire to state the amendments to the Note in this written Amendment executed by the Borrower and agreed to, as to form, by the Lender; and

**Whereas**, Guarantor executes this Amendment to acknowledge his continued Guaranty on the Note.

NOW THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Lender and the Borrower hereby contract and agree as follows:

1. The Borrower and Lender agree that each of the recitals set forth above is true and correct and shall be part of this Amendment.
2. At the top of the document, before the first paragraph, the amount "7,550,000.00" is hereby deleted and replaced with "6,782,917.00".
3. At the top of the document, before the first paragraph, the date of "December 31, 2007" is hereby deleted and replaced with "December 31, 2010".

4. In the first paragraph, which begins "FOR VALUE RECEIVED", the following is hereby deleted "Seven Million Five Hundred Fifty Thousand and 00/100 Dollars (\$7,550,000.00)" and is replaced with "Six Million Seven Hundred Eighty-two Thousand Nine Hundred Seventeen and 00/100 Dollars (\$6,782,917.00)".
5. Also in the first paragraph, which begins "FOR VALUE RECEIVED", the following is hereby deleted "four.two-six percent (4.26%)" and is replaced with "three and one-quarter percent (3.25%)".
6. Paragraph A is hereby deleted in its entirety.
7. In Paragraph D, under the heading "FIXED RATE", the following is hereby deleted "4.26%" and is replaced with "3.25%".
8. In the sentence above the heading "Borrower's Right to Repay", the following is hereby deleted "execution of this note" and is replaced with "December 31, 2010".
9. The paragraph "Borrower's Right to Prepay", is hereby deleted in its entirety and is replaced with the following:

Borrower has the right to make additional or pre-payments at any time before the Maturity Date. Each additional or prepayment Borrower makes on this note shall immediately be applied and credited against the remaining principal balance owed under this note.
10. Item (3) found in the "Borrower's Failure to Pay as Required" "Default" section is hereby deleted and replaced in its entirety with the following: "Borrower fails to pay, or keep any other promise, on any other loan or agreement Borrower has with Lender."
11. Guarantor signs this Amendment and by signing, acknowledges and affirms his continued personal guaranty as security of the Promissory Note and any amendments thereto.
12. Except as herein amended, the provisions of the Note are expressly reaffirmed and remain in full force and effect.
13. Borrower and Lender ratify and affirm all actions taken by them from December 31, 2010, to the date this Amendment is executed.

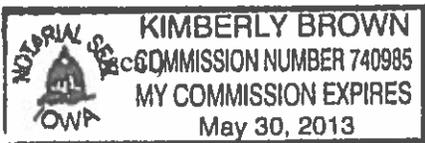


**Financial District Properties HQO, L.L.C.,**  
an Illinois limited liability company,

By: [Signature]  
Rodney A. Blackwell, Manager

STATE OF IOWA )  
 ) SS:  
COUNTY OF SCOTT )

On this 7<sup>th</sup> day of June, 2012, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Rodney A. Blackwell, to me personally known, who being by me duly sworn did say that he is the Manager of Financial District Properties HQO, L.L.C., executing the within and foregoing instrument to which this is attached; that said instrument was signed on behalf of said corporation and such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.



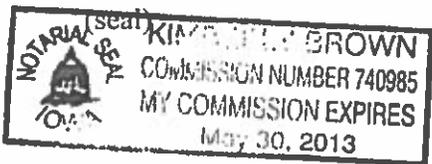
Kimberly Brown  
NOTARY PUBLIC

Personally guaranteed by:

[Signature]  
Rodney A. Blackwell, Guarantor

STATE OF IOWA )  
 ) SS:  
COUNTY OF SCOTT )

On this 7<sup>th</sup> day of June, 2012, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Rodney A. Blackwell, executing the within and foregoing instrument to which this is attached; that he signed said instrument as Guarantor; and acknowledged the execution of said instrument to be his voluntary act and deed.



Kimberly Brown  
NOTARY PUBLIC

## ATTACHMENT H

### **Joint Review Board Meeting**

**TIF 1-7 Review for 2011**

**Committee-of-the- Whole**

**August 16, 2012 9:00 AM**

#### **Minutes**

#### **Taxing District:**

Moline Township: Dave Hendrickx

City of Moline: Patrick Burke, Ray Forsythe, Lew Steinbrecher

Moline School District #40: Absent

Rock Island/Milan School District #41: Absent

Blackhawk Township: Absent

MetroLINK: Absent

Metro Airport Authority: Absent

Rock Island County: Absent

Blackhawk College: Absent

Patrick Burke created a trend analysis for each Tax Increment Finance (TIF) district in order to review the performance of each district over the past five years.

#### **TIF 1 Downtown (1986)**

Since 2007, the fund balance deficit has tripled. The expenditures each year were greater than the revenue generated each year. The largest expenditure every year was debt service. Administrative/Professional Services, Rebates to Developers, and Land Acquisition/Site Preparation also contributed to expenditures. In 2011, those four categories accounted for 100% of the expenditures (\$4,990,766). The district's equalized assessed value (EAV) has been relatively flat since 2008.

Two projects continued to move forward. Phillips Lofts was a \$1.6 million project that will be converting a vacant building into 18 market rate apartments with commercial space on the first floor. It should be completed by September, 2012. Also, land acquisition for the Amtrak station continued. The City acquired 315 Twelfth Street and 1121 Fourth Avenue.

#### **TIF 2 One Moline Place (1998)**

The fund balance deficit has increased since 2007. The annual debt service has been greater than the property tax revenue. The decline in the housing market has negatively impacted this project for several years. The EAV declined in 2011. One Moline Place experienced a great deal of positive momentum during 2011. Site grading after the demolition of the former nurses' dorm building occurred. The TIF district was extended 12 years. With the additional time, the TIF has been projected to pay down the deficit by its termination date.

TIF 3 Old Moline High School (2004)

Although the EAV has been relatively flat since 2007, this residential project has remained strong. Gorman & Company restored a vacant building into a \$9.9 million 60 apartment unit project. The fund balance has been stable. The developer rebate has been the only major expenditure.

TIF 4 Autumn Trails (2005)

Autumn Trails has been a senior living project which has offered townhomes and an assisted living center. It has been another residential project negatively impacted by the decline in the housing market. Sales slowed considerably and the value of the current units has declined. The EAV has been declining since 2007. The fund balance has remained stable, however.

TIF 5 KONE Centre (2009)

Construction of an eight story, 125,000 sf multi-use building estimated at \$40 million began in 2011. The project will be completed by summer, 2012. KONE will be the main tenant.

TIF 6 Moline Place Phase II & III (2010)

The City took possession of the land located within TIF 6 in February and issued a Request for Proposals March 1. Negotiations with an interested developer continued throughout 2011 related to the conceptual design and configuration of a residential subdivision, including the possibility of the City installing the public infrastructure and the developer building the residential housing units.

TIF 7 Moline Business Park (2011)

The City annexed 134 acres, created the TIF district, and then issued a bond for \$7,605,000. The TIF reimbursed nearly \$900,000 in expenses.

TIF 1 - 7  
AUDITED FINANCIAL STATEMENTS

Special Revenue

Special Service Area #5	Special Service Area #6	Foreign Fire Insurance	General Trust	Tax Increment Financing #2	Tax Increment Financing #3	Tax Increment Financing #4
\$ 29,393	\$ 238,457	\$ 61,104	\$ 9,734	\$ 111,369	\$ 7,572	\$ 207,556
-	-	-	-	-	-	-
-	-	-	-	-	-	-
81,636	230,243	-	-	193,350	55,015	194,089
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,875	-	-	37,215	-	-	-
-	-	-	-	-	-	-
52,817	431,254	-	790,000	-	-	-
<u>165,721</u>	<u>899,954</u>	<u>61,104</u>	<u>836,949</u>	<u>304,719</u>	<u>62,587</u>	<u>401,645</u>
\$ 30,954	\$ 16,317	\$ -	\$ 13,314	\$ 133	\$ -	\$ -
265	927	-	-	-	101	-
-	1,100,000	-	-	620,519	-	-
80,400	225,000	-	16,886	193,350	54,450	193,425
10,650	-	-	-	-	-	-
-	-	-	-	-	-	736,619
<u>122,269</u>	<u>1,342,244</u>	<u>-</u>	<u>30,200</u>	<u>814,002</u>	<u>54,551</u>	<u>930,044</u>
-	-	-	-	-	-	-
43,452	-	61,104	158,447	-	8,036	-
-	-	-	427,694	-	-	-
-	-	-	220,608	-	-	-
<u>43,452</u>	<u>(442,290)</u>	<u>-</u>	<u>-</u>	<u>(509,283)</u>	<u>-</u>	<u>(528,399)</u>
<u>43,452</u>	<u>(442,290)</u>	<u>61,104</u>	<u>806,749</u>	<u>(509,283)</u>	<u>8,036</u>	<u>(528,399)</u>
<u>\$ 165,721</u>	<u>\$ 899,954</u>	<u>\$ 61,104</u>	<u>\$ 836,949</u>	<u>\$ 304,719</u>	<u>\$ 62,587</u>	<u>\$ 401,645</u>

**CITY OF MOLINE**

**COMBINING BALANCE SHEET - CONCLUDED  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2012**

	Special Revenue				
	Tax Increment Financing #5	Tax Increment Financing #7	Tax Increment Financing #8	Tax Increment Financing #9	Tax Increment Financing #10
<b>ASSETS</b>					
Cash and cash equivalents	\$ 32,190	\$ -	\$ 17,428	\$ 435	\$ 11,102
Restricted cash and cash equivalents	-	4,134,611	-	-	-
Investments	-	-	-	-	-
Restricted investments	-	1,592,969	-	-	-
Receivables (net)					
Property taxes	40,457	-	-	-	-
Accounts	-	-	-	-	-
Accrued interest	-	6,293	-	-	-
Loans	-	-	-	-	-
Other taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 72,647</u></b>	<b><u>\$ 5,733,873</u></b>	<b><u>\$ 17,428</u></b>	<b><u>\$ 435</u></b>	<b><u>\$ 11,102</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	252	-	-	-
Due to other funds	-	46	-	-	-
Deferred revenues	32,365	-	-	-	-
Deposits	-	-	35,000	-	40,000
Line of credit	-	-	-	-	-
Interfund advances	-	-	-	-	-
<b>Total Liabilities</b>	<b><u>32,365</u></b>	<b><u>298</u></b>	<b><u>35,000</u></b>	<b><u>-</u></b>	<b><u>40,000</u></b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	40,282	5,733,575	-	435	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(17,572)	-	(28,898)
<b>Total Fund Balances (Deficit)</b>	<b><u>40,282</u></b>	<b><u>5,733,575</u></b>	<b><u>(17,572)</u></b>	<b><u>435</u></b>	<b><u>(28,898)</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 72,647</u></b>	<b><u>\$ 5,733,873</u></b>	<b><u>\$ 17,428</u></b>	<b><u>\$ 435</u></b>	<b><u>\$ 11,102</u></b>

**CITY OF MOLINE**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - CONCLUDED  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2012**

	<u>Special Revenue</u>				
	<u>Tax Increment Financing #5</u>	<u>Tax Increment Financing #7</u>	<u>Tax Increment Financing #8</u>	<u>Tax Increment Financing #9</u>	<u>Tax Increment Financing #10</u>
<b>REVENUES</b>					
Taxes	\$ 32,366	\$ 204	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Use of money and property	2	10,031	1	2	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>32,368</u>	<u>10,235</u>	<u>1</u>	<u>2</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Economic development	-	62,850	14,723	27,569	28,898
Culture and recreation	-	-	-	-	-
Libraries	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>62,850</u>	<u>14,723</u>	<u>27,569</u>	<u>28,898</u>
Excess (deficiency) of revenues over expenditures	<u>32,368</u>	<u>(52,615)</u>	<u>(14,722)</u>	<u>(27,567)</u>	<u>(28,898)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	32,368	(52,615)	(14,722)	(27,567)	(28,898)
<b>FUND BALANCES (DEFICITS) - Beginning of Year</b>	<u>7,914</u>	<u>5,786,190</u>	<u>(2,850)</u>	<u>28,002</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ 40,282</u>	<u>\$ 5,733,575</u>	<u>\$ (17,572)</u>	<u>\$ 435</u>	<u>\$ (28,898)</u>

**ATTACHMENT L**

**CERTIFIED AUDIT REPORT**

Following is the Section "Q" compliance letter dated June 12, 2013 for fiscal year 2012.



Baker Tilly Virchow Krause, LLP  
1301 W 22nd St, Ste 400  
Oak Brook, IL 60523-3389  
tel 630 990 3131  
fax 630 990 0039  
bakertilly.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
TAX INCREMENT FINANCING DISTRICTS

To the Honorable Mayor and  
Members of the City Council  
City of Moline  
Moline, Illinois

We have audited the basic financial statements of the City of Moline, Illinois, as of and for the year ended December 31, 2012, and have issued our report thereon dated June 12, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance with laws, regulations, contracts and grants applicable to the City of Moline is the responsibility of the City of Moline's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the City of Moline's compliance with provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
June 12, 2013