

**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.]

Name of Redevelopment Project Area:	TIF 6 Moline Place II & III
Primary Use of Redevelopment Project Area*:	
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <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)] If yes, please enclose the amendment labeled Attachment A	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)] Please enclose the CEO Certification labeled Attachment 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)] Please enclose the Legal Counsel Opinion labeled Attachment C		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)] If yes, please enclose the Activities Statement labeled Attachment D		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)] If yes, please enclose the Agreement(s) labeled Attachment E		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)] If yes, please enclose the Additional Information labeled Attachment F	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)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	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)] If yes, please enclose the Joint Review Board Report labeled Attachment H		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)] If yes, please enclose the Official Statement labeled Attachment I	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)] If yes, please enclose the Analysis labeled Attachment J	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) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		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)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		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)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	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 \$ (35,212)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment			0%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 4	\$ 4	31%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 9	69%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 4

Cumulative Total Revenues/Cash Receipts \$ 13 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 396,000

Distribution of Surplus

Total Expenditures/Disbursements \$ 396,000

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ (395,996)

FUND BALANCE, END OF REPORTING PERIOD* \$ (431,208)

* 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 3.3 - (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 \$ (431,208)

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
General Obligation Bond 2012B	\$ 1,400,000	\$ 2,119,486

Total Amount Designated for Obligations \$ 1,400,000 \$ 2,119,486

2. Description of Project Costs to be Paid		

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ 2,119,486

SURPLUS*/(DEFICIT) \$ (2,550,694)

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

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

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Project 1:			
Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

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

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

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

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

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

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 1st - December 31st).

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 1st - December 31st).

11.5.13
Date


Maureen Riggs, City Attorney

TIF 6
ACTIVITIES STATEMENT

The City entered into a term sheet with Irgens Development Partners, LLC (IDP) February 14 to allow the developer to undertake a due diligence process for the proposed independent and assisted living residential development project.

IDP exercised its right under the approved term sheet to extend the due diligence period to August 5, 2013, to enable them additional time to complete their financial feasibility analysis of the proposed development and secure another private investment entity to participate financially in the project.

ATTACHMENT E

TIF 6
2012 AGREEMENTS

The following agreements were executed during this reporting fiscal year.

Council Bill/Resolution No. 1129-2012

Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to approve a Term Sheet for the City of Moline to negotiate exclusively with IDP ILLINOIS ACQUISITION COMPANY, LLC, regarding the purchase and redevelopment of Moline Place Phase II/Hawk Hollow Redevelopment Project Area.

WHEREAS, IDP ILLINOIS ACQUISITION COMPANY, LLC ("IDP"), and the City of Moline, Illinois, mutually desire to develop vacant land at the Southwest Corner of 5th Avenue and 6th Street known as the Moline Place Phase II/Hawk Hollow Redevelopment Project Area; and

WHEREAS, it is necessary to provide purchase terms and certain financial and economic incentives to ensure the extension of public infrastructure and development of this undeveloped land to facilitate and stimulate new private sector investment; and

WHEREAS, IDP is seeking time to complete due diligence on the site as well as prepare preliminary site plans and pro formas related to the development potential of the site.

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 approve the Term Sheet between the City of Moline, Illinois, and IDP ILLINOIS ACQUISITION COMPANY, LLC, and City staff is hereby authorized to negotiate exclusively with IDP for the purchase and redevelopment of the Moline Place Phase II/Hawk Hollow Redevelopment Project Area; provided said Term Sheet 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.

CITY OF MOLINE, ILLINOIS



Mayor

February 7, 2012

Date

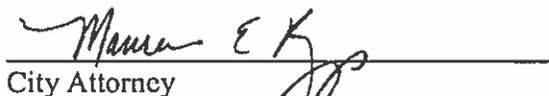
Passed: February 7, 2012

Approved: February 14, 2012

Attest: _____

City Clerk

Approved as to Form:


City Attorney

TERM SHEET

Between

CITY OF MOLINE, ILLINOIS ("Seller") and
IDP ILLINOIS ACQUISITION COMPANY, LLC ("Purchaser")
regarding the development of
Moline Place Phase II/Hawk Hollow Redevelopment Project Area

WHEREAS, IDP ILLINOIS ACQUISITION COMPANY, LLC, and the City of Moline, Illinois, mutually desire to develop vacant land at the Southwest Corner of 5th Avenue and 6th Street; and

WHEREAS, it is necessary to provide purchase terms and certain financial and economic incentives to ensure the extension of public infrastructure and development of this undeveloped land to facilitate and stimulate new private sector investment; and

WHEREAS, Purchaser is seeking time to complete due diligence on the site as well as prepare preliminary site plans and proformas related to the development potential of the site.

NOW, THEREFORE, the parties involved in this public/private partnership do hereby agree in concept to the following terms to advance the Moline Place Phase II/Hawk Hollow Redevelopment Project:

The specific terms according to which Purchaser will enter into a purchase agreement are outlined below, and Seller's acceptance of the terms and conditions herein shall acknowledge Seller's intent to enter into a formal, legally binding Agreement of Purchase and Sale ("Agreement") documenting the transaction described herein.

Details of our Letter of Intent are as follows:

- Purchaser:** IDP Illinois Acquisition Company, LLC, a Wisconsin limited liability company
- Seller:** City of Moline, Illinois
- Property:** Approximately 16.20 gross acres (705,672 sf) with approximately 9.00 usable acres (392,040 sf) located at the southwest corner of 5th Avenue & 6th Street in Moline, Illinois. See Exhibit A.
- Purchase Price:** The purchase price shall be \$700,000, which may be adjusted as provided for below. Purchaser shall provide at least \$440,000 in cash at closing including the Deposit. Seller is to provide financing for the balance of the purchase price, above \$440,000, the form of financing to be negotiated as part of the Development Agreement and Purchase Agreement.
- Purchaser will provide an initial deposit of \$10,000 (the "Deposit") within three (3) business days of the execution by both parties of the Agreement;
 - Purchaser shall increase the amount of the Deposit to \$30,000 (total) upon satisfaction of Purchaser's Conditions;
 - The balance of the Purchase Price will be paid to the Seller by certified check or bank draft upon Closing;
 - The Deposit is to be held in trust by a mutually acceptable escrow agent and placed in an interest-bearing account, with interest accruing to the Purchaser;
 - The Purchase Price will be adjusted as per closing adjustments typical for such a transaction;
 - The Purchase Price will be adjusted as follows:

Seller will obtain and provide to Purchaser a current full ALTA survey of the Property prepared by a Registered Land Surveyor acceptable to Purchaser and the Purchase Price shall be adjusted based on the actual usable area of the Property multiplied by \$77,778 per acre or fraction thereof (see "Purchase Price" above).

**Agreement of
Purchase and Sale:**

Should Seller find the terms of this Letter of Intent acceptable, Purchaser would proceed diligently to prepare an Agreement of Purchase and Sale between the parties to reflect the business terms proposed in this Letter of Intent. Within the Agreement of Purchase and Sale would be terms and conditions normally included within such an Agreement (including a Due Diligence Period, deliveries at Closing, representations and warranties by both parties, delivery of free and clear title at Closing, etc.)

Property Documents:

Within three (3) business days of an accepted Agreement of Purchase and Sale, Seller will provide Purchaser with the following:

- Any surveys, site plans and site engineering reports for the Property in Seller's possession;
- All reports and studies in its possession to assist in the due diligence Purchaser would typically conduct in such an acquisition, including but not limited to, copies of all contracts, engineering drawings and reports, and environmental reports and geotechnical soil investigations;
- Copies of property tax bills and assessment notices; and
- Copies of any covenants, conditions and restrictions as well as any common area or private roadway easements or maintenance agreements affecting the Property.

(Collectively the "Property Documents")

Due Diligence:

From receipt of the Property Documents, Purchaser will have a three hundred and sixty five (365) day conditional period ("due Diligence Period") during which to:

- Evaluate the development potential for the Property, including but not limited to commissioning an environmental site assessment and undertaking a geotechnical investigation of the soil conditions;
- Verify the existing site has sufficient water retention/detention capacity to service a senior living community;
- Meet with a civil engineer to evaluate the costs associated with improving the Property with any necessary roadways, stormwater retention areas, and other infrastructure improvements;
- Verify that any easements affecting the Property do not adversely impact the development potential or the economics of developing the Property as Intended by Purchaser;
- Evaluate the costs associated with constructing a senior living community on the Property;
- Meet with Moline officials to determine the zoning of the Property, discuss conceptual plans for the site, and determine the likelihood of receiving any Development Incentives;
- Determine that no recapture payments, impact fees or special assessments exist that would adversely affect the economics of Purchaser's proposed development;
- Conduct title searches and reviews.

(Collectively the "Purchaser's Conditions")

Purchaser shall have one (1) option to extend the Due Diligence Period for an additional one hundred eighty (180) days at no additional cost to the Purchaser.

If, for any reason whatsoever, the Purchaser, in its sole determination and absolute discretion, is not satisfied with the Property, then the Purchaser may terminate the Agreement by delivering to the Seller a written termination notice at any time during the Due Diligence Period.

If the Purchaser terminates the Agreement on or before the expiration of the Due Diligence Period, then the escrow agent shall return the Deposit and the interest earned thereon to the Purchaser, and neither party shall have any further rights pursuant to or obligations as set forth in the Agreement.

Development Incentives:

Seller acknowledges the availability of various economic development incentives provided by the City of Moline including land financing assistance, tax incremental financing, enterprise zone and public infrastructure financing. Seller and Purchaser will negotiate a mutually agreeable incentives package during the Due Diligence Period.

Closing:

Closing will be within sixty (60) days after the Due Diligence Period. Seller shall be responsible for the payment of all closing costs associated with the transaction.

Seller's Cooperation:

Upon execution of a Development Agreement and Agreement for Purchase of the Property, Seller will permit Purchaser to make site plan and building permit applications to the City of Moline and will consent or authorize such applications as the registered owner of the Property. These applications will be assigned to Purchaser at Closing. The costs of preparing and submitting the site plan and building permit applications shall remain at the sole cost and expense of Purchaser.

Brokers:

Purchaser and Seller represent and warrant that they have not engaged the services of any real estate agent, broker or firm in connection with the Property or this real estate transaction. Each party agrees to defend, indemnify and hold party harmless from any and all loss, cost or expense from any claim for real estate commission made by any agent, broker or firm engaged in connection with the Property or this transaction.

Signs:

Purchaser shall be permitted to place a real estate sign on the property during any initial or extended Due Diligence Period(s) for purposes of marketing. All signage will comply with applicable municipal signage ordinances.

Exclusive Right to Negotiate:

During the period commencing upon Seller's execution of this Letter of Intent and ending on the Closing, Seller agrees to give Purchaser the exclusive right to negotiate, and Seller agrees to keep the Property off the market and to refrain from negotiating or discussing the sale of the Property with anyone other than Purchaser or its nominee.

This Letter of Intent is not binding upon either party. Rather, this Letter of Intent describes the price, terms and conditions upon which Purchaser is proposing to acquire the Property. Seller shall not be bound to sell the Property and Purchaser shall not be bound to purchase the Property unless and until a legally binding Agreement of Purchase and Sale is executed by both parties.

If the business terms outlined above are acceptable to Seller, kindly indicate so by signing on below. The terms of this letter are open for acceptance until January 31, 2012 at 5:00 p.m. CST. Upon receiving an acknowledged copy of this letter, Purchaser will subsequently prepare the Agreement of Purchase and Sale. It is the intention of all parties that this be a non-binding Letter of Intent and that an Agreement of Purchase and Sale will be executed within ten (10) business days following acceptance of this letter.

ACKNOWLEDGEMENT

The terms of this letter dated February 7, 2012 are acceptable and Seller agrees to negotiate in good faith an Agreement of Purchase and Sale with IDP Illinois Acquisition Company, LLC.

Seller:
By: *Donald P. Wehner*
Name: Don Wehner
Title: MAYOR
Date: 2/7/12

Tracy A. Koranda
Tracy A. Koranda
City Clerk
2.7.2012

IDP ILLINOIS ACQUISITION COMPANY, LLC:
By: *[Signature]*
Name: Rick A. Nelson
Title: Vice President
Date: 1/23/2012

EXHIBIT A



Memorandum

To: Tracy Koranda, City Clerk
From: Vickie Felger, Legal Services Specialist
Date: February 3, 2012
Re: 02/07/12 Council Agenda: CB/Reso. 1129-2012 – IDP Illinois Acquisition Co. Term Sheet – Moline Place Phase II/Hawk Hollow

Attached are two copies of the Term Sheet for the above-referenced. (Ray received the Term Sheet signed by IDP via email, so these copies will serve as originals.) Upon approval of the Council Bill, please obtain the Mayor's signature, attest and return one to me. The other is for your records.

Please let me know if any questions.
Thank you.

:vlf (ext. 2010)
Attachments

Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to accept a letter of proposal from Northwest Bank & Trust Company to allow the City of Moline to pay off a non-recourse loan on the Hawk Hallow property at a discounted amount to release its mortgage on the property.

WHEREAS, in August 2009, the City Council entered into a Development Agreement with Northwest Bank & Trust Company and Moline Place Development Company, L.L.C. (Michael Shamsie), to facilitate the demolition of the nurses' dormitory on the property and transfer ownership of the Hawk Hallow Redevelopment site (formerly known as Phases II and III of One Moline Place) to the City; and

WHEREAS, the City Council approved an amended Redevelopment Agreement in October 2010 that enabled the complete build-out of Phase I of the project and the demolition of the dormitory; and

WHEREAS, the demolition was completed in early 2011 and the property was transferred to the City with a \$440,000 mortgage in the form of a non-recourse loan to be paid once the City sold the property to a new developer but no longer than three years; and

WHEREAS, the City Council approved a Term Sheet with IDP Illinois Acquisition Company, L.L.C. (Irgens Development Partners) to redevelop the property upon completion of its due diligence, and the developer is now nearing completion of that process and anticipates entering into a Purchase Agreement for \$440,000 and advancing the project; and

WHEREAS, pursuant to the letter of proposal attached hereto as Exhibit "A," Northwest Bank & Trust has offered to release the \$440,000 mortgage on the property by July 31, 2012 at a discounted pay-off amount of \$396,000 by the City; and

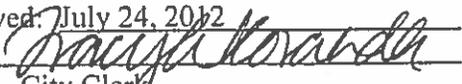
WHEREAS, the mortgage will be paid from funds loaned from the General Fund to TIF District #6 and will be paid back to the General Fund upon sale of the property.

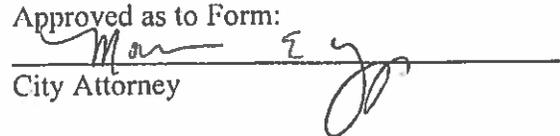
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That the Mayor and City Clerk are hereby authorized to accept a letter of proposal from Northwest Bank & Trust Company to allow the City of Moline to pay off a non-recourse loan on the Hawk Hallow property at a discounted amount to release the mortgage on the property; provided, however, that that said letter of proposal is in substantially similar 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.

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



Providing Direction. Producing Results.

June 28, 2012

Mr. Lew Steinbrecher, City Administrator
City of Moline
619 16th Street
Moline IL 61265

Dear Lew,

This letter is in regards to the Amended and Restated Redevelopment Agreement for One Moline Place Development between the City of Moline, Illinois ("Moline"), Northwest Bank & Trust Company, a Federal Savings Bank ("Bank"), Moline Place Development Company L.L.C., an Illinois Limited Liability Company ("Developer") and Michael R. Shamsie dated November 10, 2010 ("Amended Agreement"). Capitalized terms used but not defined herein shall have the meaning assigned to them in the Amended Agreement.

Pursuit to the Amended Agreement, Bank made the Non-Recourse Loan to finance Moline's purchase of the Project Property. As of the date hereof, the Adjusted Amount of the Non-Recourse Loan is \$440,000.00. In consideration of Moline paying Bank \$396,000.00 on or before July 31, 2012, Bank will deem the Non-Recourse Loan paid-in-full and release its mortgage on the Project Property.

Please contact me at your convenience with any questions regarding this proposal.

Very truly yours,

Joe B. Slavens
President/CEO
jbslavens@northwestbank.com
563-388-2577

Approved as to substance and form:

Michael R. Shamsie, Operating Manager
Moline Place Development L.L.C., an
Illinois Limited Liability Company

Michael R. Shamsie, Individually

www.northwestbank.com

Mailing Address
P.O. Box 8001
Davenport, Iowa 52808

NorthPark Tower
100 E. Kimberly Road
Davenport, Iowa 52806

West Davenport
1454 W. Locust Street
Davenport, Iowa 52804

Bettendorf Tower
2550 Middle Road
Bettendorf, Iowa 52722

563.388.2511



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.

ATTACHMENT K

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	-	-	-
-	(442,290)	-	-	(509,283)	-	(528,399)
<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 - CONTINUED
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2012**

	<u>Special Revenue</u>				
	<u>Tax Increment Financing #6</u>	<u>Library Trust</u>	<u>Perpetual Care</u>	<u>Reher Art Gallery</u>	<u>Park and Cemetery Gift</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ 228,305	\$ 100,268	\$ 26,524	\$ 176,542
Restricted cash and cash equivalents	-	-	-	-	-
Investments	-	-	152,413	-	-
Restricted investments	-	-	-	-	-
Receivables (net)					
Property taxes	53,500	-	-	-	-
Accounts	-	-	1,587	-	-
Accrued interest	-	2,249	-	-	5,372
Loans	-	-	-	-	-
Other taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
TOTAL ASSETS	<u>\$ 53,500</u>	<u>\$ 230,554</u>	<u>\$ 254,268</u>	<u>\$ 26,524</u>	<u>\$ 181,914</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ 1,040	\$ -	\$ 4,300	\$ 9,330
Accrued expenses	-	-	-	-	-
Due to other funds	431,208	-	-	-	-
Deferred revenues	53,500	-	-	-	-
Deposits	-	-	-	-	-
Line of credit	-	-	-	-	-
Interfund advances	-	-	-	-	-
Total Liabilities	<u>484,708</u>	<u>1,040</u>	<u>-</u>	<u>4,300</u>	<u>9,330</u>
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	229,514	254,268	22,224	172,584
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(431,208)	-	-	-	-
Total Fund Balances (Deficit)	<u>(431,208)</u>	<u>229,514</u>	<u>254,268</u>	<u>22,224</u>	<u>172,584</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 53,500</u>	<u>\$ 230,554</u>	<u>\$ 254,268</u>	<u>\$ 26,524</u>	<u>\$ 181,914</u>

CITY OF MOLINE

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

	<u>Special Revenue</u>				
	<u>Tax Increment Financing #6</u>	<u>Library Trust</u>	<u>Perpetual Care</u>	<u>Reher Art Gallery</u>	<u>Park and Cemetery Gift</u>
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Use of money and property	4	10,465	21	1	6,387
Contributions	-	53,756	-	-	10,446
Miscellaneous	-	-	15,428	-	-
Total Revenues	<u>4</u>	<u>64,221</u>	<u>15,449</u>	<u>1</u>	<u>16,833</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Economic development	396,000	-	-	-	-
Culture and recreation	-	-	-	14,438	32,315
Libraries	-	63,722	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total Expenditures	<u>396,000</u>	<u>63,722</u>	<u>-</u>	<u>14,438</u>	<u>32,315</u>
Excess (deficiency) of revenues over expenditures	<u>(395,996)</u>	<u>499</u>	<u>15,449</u>	<u>(14,437)</u>	<u>(15,482)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	13,765	-
Transfers out	-	(13,765)	(21)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(13,765)</u>	<u>(21)</u>	<u>13,765</u>	<u>-</u>
Net Change in Fund Balances	<u>(395,996)</u>	<u>(13,266)</u>	<u>15,428</u>	<u>(672)</u>	<u>(15,482)</u>
FUND BALANCES (DEFICITS) - Beginning of Year	<u>(35,212)</u>	<u>242,780</u>	<u>238,840</u>	<u>22,896</u>	<u>188,066</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (431,208)</u>	<u>\$ 229,514</u>	<u>\$ 254,268</u>	<u>\$ 22,224</u>	<u>\$ 172,584</u>

ATTACHMENT L

CERTIFIED AUDIT REPORT

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

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.


Oak Brook, Illinois
June 12, 2013