

**FY 2013
ANNUAL TAX INCREMENT FINANCE
REPORT**



Name of Municipality: Moline Reporting Fiscal Year: **2013**
 County: Rock Island Fiscal Year End: **12/31/2013**
 Unit Code: 081-050-30

TIF Administrator Contact Information			
First Name: <u>Annaka</u>	Last Name: <u>Whiting</u>		
Address: <u>619 16th Street</u>	Title: <u>Compliance Analyst</u>		
Telephone: <u>309-524-2035</u>	City: <u>Moline</u>	Zip: <u>61265</u>	
Mobile _____	E-mail _____		
Mobile Provider _____	Best way to contact	<input checked="" type="checkbox"/> Email	_____ Phone
		<input type="checkbox"/> Mobile	_____ 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.]
Annaka Whiting _____ 5/14/14 _____
 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	2/9/2010	
TIF #7 Moline Business Park	6/21/2011	
Routes 6 & 150	12/4/2012	
41st Street/ Health Park	12/11/2012	
Southpark Mall	9/17/2013	
Multi-Modal Area	11/5/2013	
Riverbend Commons	11/5/2013	

*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.]

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Name of Redevelopment Project Area:	Downtown
Primary Use of Redevelopment Project Area*:	Combination/Mixed
If "Combination/Mixed" List Component Types:	CBD/Industrial/Residential
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.

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TIF NAME: TIF 1 - Downtown

Fund Balance at Beginning of Reporting Period \$ (6,664,751)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 2,812,434	\$ 35,486,199	44%
State Sales Tax Increment	\$ 104,974	\$ 4,292,087	5%
Local Sales Tax Increment		\$ 2,964,730	4%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 76,820	\$ 689,015	1%
Land/Building Sale Proceeds		\$ 91,667	0%
Bond Proceeds		\$ 30,780,000	38%
Transfers from Municipal Sources	\$ 101,929	\$ 3,840,507	5%
Private Sources		\$ 485,087	1%
Other (identify source _____; if multiple other sources, attach schedule)	\$ 37,619	\$ 1,533,524	2%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 3,133,776

Cumulative Total Revenues/Cash Receipts \$ 80,162,816 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 2,852,180

Distribution of Surplus

Total Expenditures/Disbursements \$ 2,852,180

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ 281,595

FUND BALANCE, END OF REPORTING PERIOD* \$ (6,383,156)

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

Total Amount Designated (Carried forward from Section 3.3) \$ (37,221,890)

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

FY 2013

TIF NAME: TIF 1 - Downtown

FUND BALANCE, END OF REPORTING PERIOD \$ (6,383,156)

Amount of Original Issuance	Amount Designated
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1. Description of Debt Obligations

General Obligation Bond Series 2004B	\$ 8,990,000	\$ 451,000
General Obligation Bond Series 2004C	\$ 5,200,000	\$ 7,795,328
General Obligation Bond Series 2012C	\$ 7,350,000	\$ 8,249,532
General Obligation Bond Series 2012E	\$ 5,930,000	\$ 6,792,195
General Obligation Bond Series 2012G	\$ 3,120,000	\$ 3,453,853
General Obligation Bond Series 2012I	\$ 3,440,000	\$ 4,096,826
General Obligation Bond Series 2013		

Total Amount Designated for Obligations \$ 34,030,000 \$ 30,838,734

2. Description of Project Costs to be Paid

N/A		\$ -

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ 30,838,734

SURPLUS*/(DEFICIT) \$ (37,221,890)

* 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)]

FY 2013

TIF NAME: TIF 1 - Downtown

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

 X 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

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TIF NAME: TIF 1 - Downtown

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 ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			
_____ <u>25</u> _____			
TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 104,319,300	\$ 16,900,000	\$ 121,219,300
Public Investment Undertaken	\$ 39,941,317	\$ 6,276,720	\$ 47,556,864
Ratio of Private/Public Investment	2 52/85		2 28/51

Project 1:			
Heart of America			
Private Investment Undertaken (See Instructions)	\$4,577,500	\$ -	\$4,577,500
Public Investment Undertaken	\$391,000	\$809,000	\$1,200,000
Ratio of Private/Public Investment	11 29/41		3 22/27

Project 2:			
Watermark Corners			
Private Investment Undertaken (See Instructions)	\$1,400,000	\$ -	\$1,400,000
Public Investment Undertaken	\$56,965	\$153,035	\$210,000
Ratio of Private/Public Investment	24 49/85		6 2/3

Project 3:			
Caxton Block			
Private Investment Undertaken (See Instructions)	\$5,500,000	\$ -	\$5,500,000
Public Investment Undertaken	\$84,332	\$740,668	\$825,000
Ratio of Private/Public Investment	65 19/87		6 2/3

Project 4:			
Red Cross Headquarters			
Private Investment Undertaken (See Instructions)	\$2,300,000	\$ -	\$2,300,000
Public Investment Undertaken		\$ -	
Ratio of Private/Public Investment	0		0

Project 5:			
Quad City Rowing Association			
Private Investment Undertaken (See Instructions)	\$750,000	\$ -	\$750,000
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:			
John Deere Collectors Center			
Private Investment Undertaken (See Instructions)	\$5,000,000	\$ -	\$5,000,000
Public Investment Undertaken	750000	\$ -	\$750,000
Ratio of Private/Public Investment	6 2/3		6 2/3

Project 7:			
Moline Centre Master Plan Update			
Private Investment Undertaken (See Instructions)	\$35,000	\$ -	\$35,000
Public Investment Undertaken	\$35,000	\$ -	\$35,000
Ratio of Private/Public Investment	1		1

Project 8:			
Heritage Place			
Private Investment Undertaken (See Instructions)	\$13,000,000	\$ -	\$13,000,000
Public Investment Undertaken	\$2,009,483	\$1,090,517	\$3,100,000
Ratio of Private/Public Investment	6 23/49		4 6/31

Project 9:			
Mixed Use (John Deere Commons)			
Private Investment Undertaken (See Instructions)	\$15,000,000	\$ -	\$15,000,000
Public Investment Undertaken	\$661,173	\$ -	\$2,000,000
Ratio of Private/Public Investment	22 68/99		7 1/2

Project 10:			
Fifth Avenue Building			
Private Investment Undertaken (See Instructions)	\$1,500,000	\$5,000,000	\$6,500,000
Public Investment Undertaken		\$970,500	\$970,500
Ratio of Private/Public Investment	0		6 30/43

Project 11:			
Heritage Woods			
Private Investment Undertaken (See Instructions)	\$100,000	\$11,900,000	\$12,000,000
Public Investment Undertaken		\$ -	
Ratio of Private/Public Investment	0		0

Project 12:			
Fifteenth Street Streetscaping			
Private Investment Undertaken (See Instructions)		\$ -	
Public Investment Undertaken		\$763,000	\$763,000
Ratio of Private/Public Investment	0		0

Project 13:			
Bass Street Landing			
Private Investment Undertaken (See Instructions)		\$ -	
Public Investment Undertaken	\$3,500,000	\$1,750,000	\$5,250,000
Ratio of Private/Public Investment	0		0

Project 14:			
LeClaire Hotel			
Private Investment Undertaken (See Instructions)	\$9,500,000	\$ -	\$9,500,000
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Riverfront Mixed Use (less John Deere projects)			
Private Investment Undertaken (See Instructions)	\$9,000,000	0	\$9,000,000
Public Investment Undertaken	\$25,000,000	0	\$25,000,000
Ratio of Private/Public Investment	9/25		9/25

Project 16:			
Three Kings of Moline			
Private Investment Undertaken (See Instructions)	\$510,000	0	\$510,000
Public Investment Undertaken	\$90,000	0	\$90,000
Ratio of Private/Public Investment	5 2/3		5 2/3

Project 17:			
Reliance Building			
Private Investment Undertaken (See Instructions)	\$935,000	0	\$935,000
Public Investment Undertaken	\$165,000	0	\$165,000
Ratio of Private/Public Investment	5 2/3		5 2/3

Project 18:			
Amendment to Bass Street Landing			
Private Investment Undertaken (See Instructions)	\$8,251,800	0	\$8,251,800
Public Investment Undertaken	\$1,996,000	0	\$1,996,000
Ratio of Private/Public Investment	4 11/82		4 11/82

Project 19:			
Stoney Creek Inn			
Private Investment Undertaken (See Instructions)	\$6,200,000	0	\$6,200,000
Public Investment Undertaken	\$3,800,000	0	\$3,800,000
Ratio of Private/Public Investment	1 12/19		1 12/19

Project 20:			
Uniform Den			
Private Investment Undertaken (See Instructions)	\$360,000	0	\$360,000
Public Investment Undertaken	\$90,000	0	\$90,000
Ratio of Private/Public Investment	4		4

Project 21:			
Gateway Lofts			
Private Investment Undertaken (See Instructions)	\$1,800,000	0	\$1,800,000
Public Investment Undertaken	\$183,064	\$0	\$183,064
Ratio of Private/Public Investment	9 5/6		9 5/6

Project 22:			
West Gateway			
Private Investment Undertaken (See Instructions)	\$2,500,000	\$ -	\$2,500,000
Public Investment Undertaken	\$314,300	\$ -	\$314,300
Ratio of Private/Public Investment	7 21/22		7 21/22

Project 23:			
Enterprise Lofts			
Private Investment Undertaken (See Instructions)	\$12,000,000	\$0	\$12,000,000
Public Investment Undertaken	\$200,000	\$0	\$200,000
Ratio of Private/Public Investment	60		60

Project 24:			
Phillips Lofts			
Private Investment Undertaken (See Instructions)	\$1,600,000	\$ -	\$1,600,000
Public Investment Undertaken	\$240,000	\$ -	\$240,000
Ratio of Private/Public Investment	6 2/3		6 2/3

Project 25:			
Berglund Flats			
Private Investment Undertaken (See Instructions)	\$ 2,500,000	\$ -	\$ 2,500,000
Public Investment Undertaken	\$ 375,000	\$ -	\$ 375,000
Ratio of Private/Public Investment	6 2/3		6 2/3

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. *even though optional MUST be included as part of complete TIF report

SECTION 6

FY 2013

TIF NAME: TIF 1 - Downtown

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
1986	\$ 27,153,391	\$ 46,469,651

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

_____ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
Rock Island County	\$ -
Moline Township	\$ -
City of Moline	\$ -
Moline School District #40	\$ -
Metropolitan Airport Authority	\$ -
Black Hawk College	\$ -
Rock Island County Metropolitan Transit Authority	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

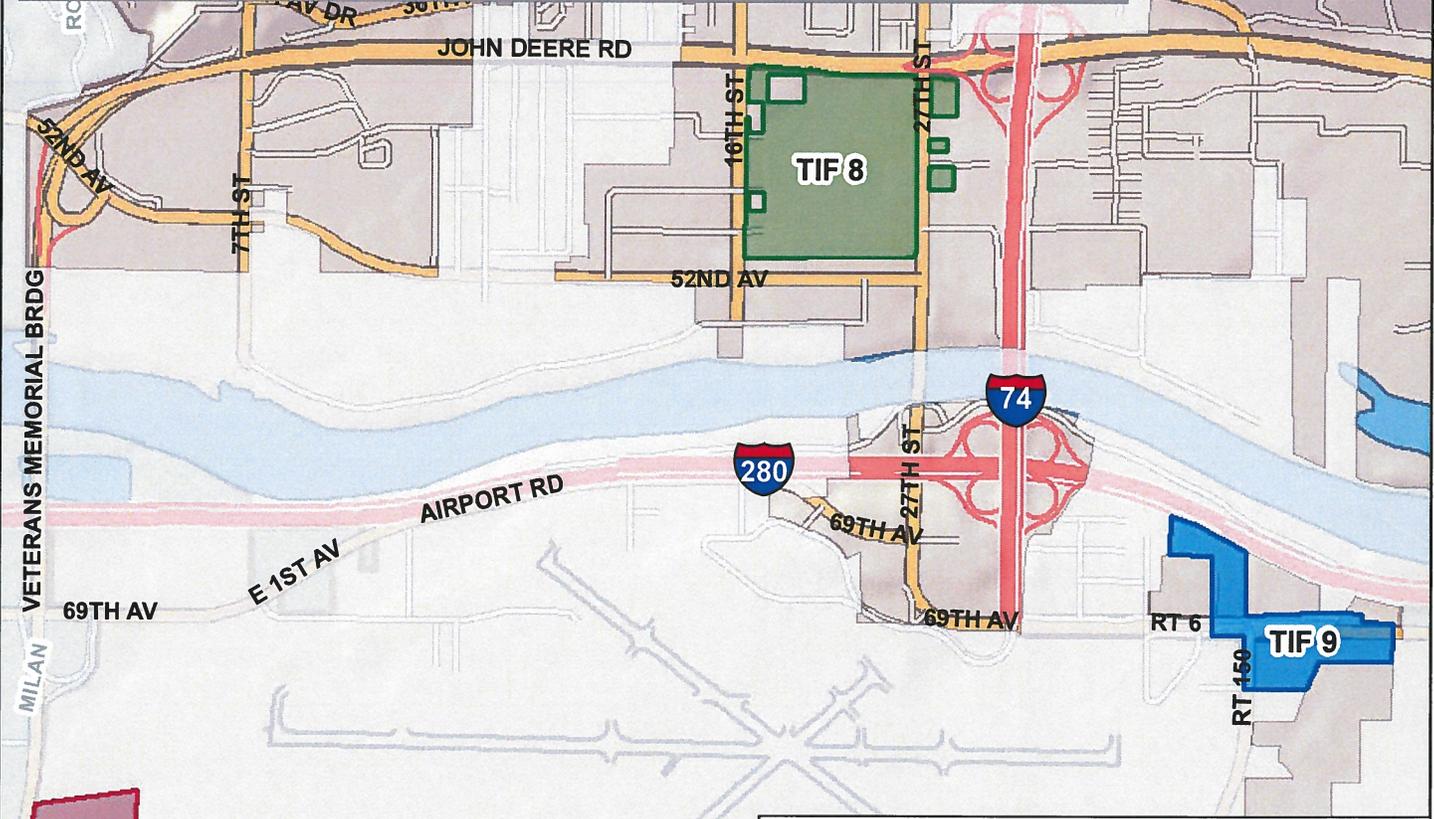
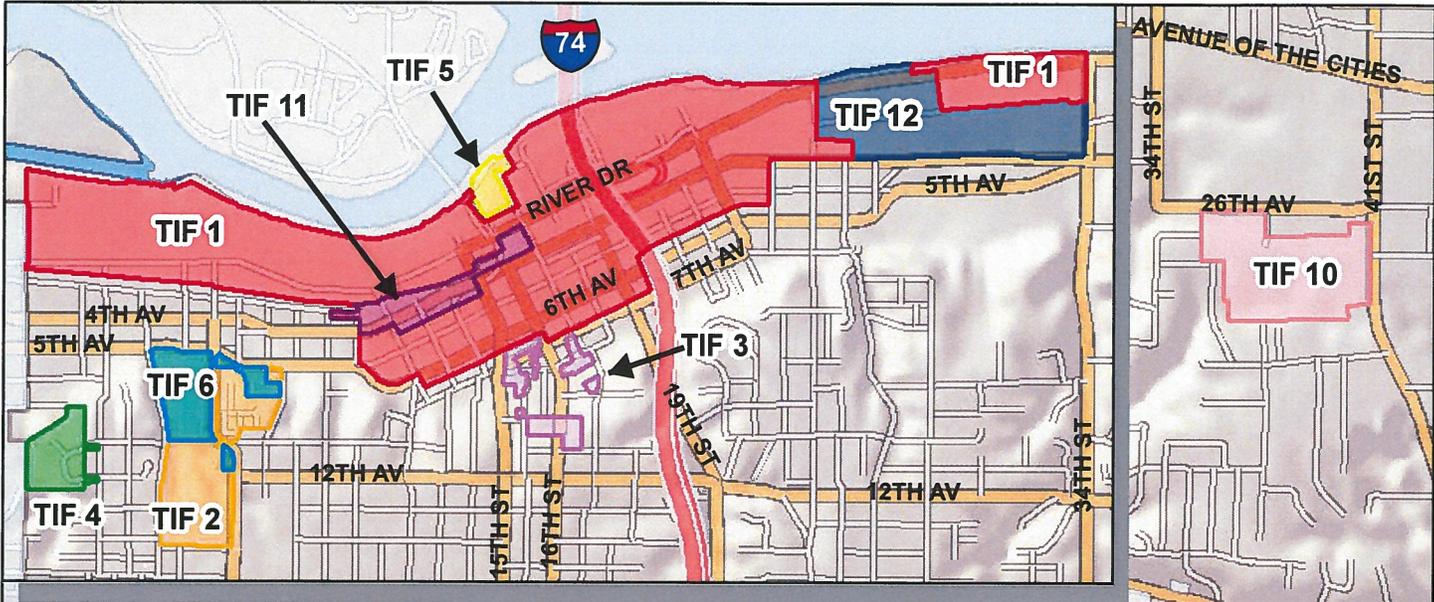
Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

--

Optional Documents	Enclosed
Legal description of redevelopment project area	No
Map of District	Yes



City of Moline TIF Districts

Map Created April 2014: City of Moline GIS Dept.

	TIF 1		TIF 2		TIF 3
	TIF 4		TIF 5		TIF 6
	TIF 7		TIF 8		TIF 9
	TIF 10		TIF 11		TIF 12

TIF 1

Amendments to Redevelopment Project Area

- Area Removed from TIF Redevelopment Project Area #1 related to the Quad Cities Station
- Area Removed from TIF Redevelopment Project Area #1 related to the Riverbend Commons

Council Bill/General Ordinance No. 3039-2013

Sponsor: _____

AN ORDINANCE

ADOPTING and approving the 2013 Amendment to the City of Moline TIF Redevelopment Project Area No. 1 related to the Quad Cities Station.

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act, 65 5/11-74.4-1 et. seq., hereinafter referred to as the "Act," the City of Moline (the "City") adopted General Ordinance No. 86-12-2 on December 10, 1986 and General Ordinance Nos. 86-12-3 and 86-12-4 on December 16, 1986, which approved a Redevelopment Plan and Project (the "Plan"), designated a redevelopment project area, and established tax increment financing for a specific area legally described therein and commonly referred to as the TIF No. 1 (the "Area"); and

WHEREAS, pursuant to the Act, the City has amended the Plan from time to time, the most recent occurring February 10, 2009, via General Ordinances 3002-2009, 3003-2009 and 3004-2009, which amended the Plan to remove parcels from the redevelopment area in order to facilitate the Kone Centre TIF District.

WHEREAS, it is now desirable and for the best interest of the residents of the City to amend the Area boundaries by removing certain property and street rights-of-way therefrom in order to establish a new TIF redevelopment project area to be identified as the Quad Cities Station Redevelopment Project Area; and

WHEREAS, subsection 11-74.4-5(c) of the Act provides that a redevelopment plan and redevelopment project area may be amended, provided that changes do not:

- (1) add additional parcels of property to the proposed redevelopment project area;
- (2) substantially affect the general land uses proposed in the redevelopment plan;
- (3) substantially change the nature of the redevelopment project;
- (4) increase the total estimated redevelopment project cost set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted;
- (5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan; or,
- (6) increase the number of inhabited residential units to be displaced from the redevelopment project area, as measured from the time of creation of the redevelopment project area, to a total of more than 10.

Sponsor: _____

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Said changes may be made without further public hearing, and related notices and procedures including the convening of a joint review board as set forth in Section 11-74.4-6 of the Act, provided that the municipality shall give notice of any such changes by mail to each affected taxing district and registrant on the interested parties registry, provided for under Section 11-74.4-4.2, and by publication in a newspaper of general circulation within the affected taxing districts. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such changes; and

WHEREAS, the change to the Project Area boundary involves the removal of property and, therefore, may be made without further hearing and related notices and procedures.

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

Section 1. That the area described in the attached Exhibit A is hereby removed from the TIF No. 1.

Section 2. That the City Clerk is hereby directed to file a certified copy of this Ordinance with the County Clerk and County Recorder of Rock Island County forthwith after the adoption and approval of this Ordinance.

Section 3. That the City Clerk is hereby directed, within 10 days from the date of passage and approval, to give notice of the passage of this Ordinance by mail to each affected taxing district and registrant on the interested parties registry and publish said notice in the Moline Dispatch, a newspaper of general circulation within the affecting taxing districts.

Section 4. That all ordinances and parts of ordinances in conflict with the provisions of this ordinance are repealed to the extent of such conflict.

Section 5. That this ordinance shall be in full force and effect from and after passage, approval, and if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

Scott Raab
Mayor

10.22.2013
Date

Passed: 10.22.2013

Approved: 11.05.2013

Attest: [Signature]
City Clerk

Approved as to Form:
[Signature]
City Attorney

Exhibit A

Area to be Removed from City of Moline TIF Redevelopment Project Area No. 1 related to the Quad Cities Station

Part of the fractional Northeast quarter and part of the southeast quarter of Section 32, Township 18 North, Range 1 West of the 4th Principal Meridian in the City of Moline, County of Rock Island, State of Illinois, more particularly described as follows;

Beginning at the Northeast Corner of Block 19, of Old or Original Town of Moline;

Thence southeasterly along the southwesterly right of way line of 17th Street, a distance of 440 feet, more or less to the southeasterly right of way line of 4th Avenue;

Thence southwesterly along the said southeasterly right of way line, a distance of 723 feet, more or less to the northeasterly right of way line of 15th Street;

Thence southeasterly along said northeasterly right of way line, a distance of 161 feet, more or less to the northeasterly extension of the southeasterly line of a public alley;

Thence southwesterly along said southeasterly line, a distance of 1,203 feet, more or less to the northeasterly right of way line of 12th Street;

Thence northwesterly along said northeasterly right of way line, a distance of 171 feet, more or less to the southeasterly right of way line of 4th Avenue;

Thence southwesterly along said southeasterly right of way line, a distance of 308 feet, more or less;

Thence westerly along the south right of way line of 4th Avenue, a distance of 212 feet, more or less to the intersection of the west right of way line of 11th Street and the south right of way line of 4th Avenue;

Thence north along said west right of way line, a distance of 190 feet, more or less to the south line of Lot 2 in Block 3 of Pitts Gilbert and Pitts 2nd Addition;

Thence west along said south line and the south line of Lot 9 of said Block 3, a distance of 296 feet, more or less to the east right of way line of 10th Street;

Thence north along said east right of way line and its northerly extension, a distance of 199 feet, more or less to the northerly right of way line of a railroad;

Thence easterly along said right of way line, a distance of 578 feet, more or less to the southwesterly right of way line of 12th Street;

Thence northeasterly, a distance of 80 feet, more or less to the northeasterly right of way line of 12th Street;

Thence easterly along said northerly right of way line of a railroad, a distance of 578 feet, more or less to the northeasterly line of Lot 6 in Block 16 of Old or Original Town of Moline;

Thence northwesterly along said northeasterly line, a distance of 19 feet, more or less to the northwesterly line of Lot 4 in McEnary's Addition;

Thence easterly along said northwesterly line, a distance of 225 feet, more or less;

Thence northeasterly continuing along said northwesterly line, a distance of 334 feet, more or less to the southwesterly right of way line of 15th Street;

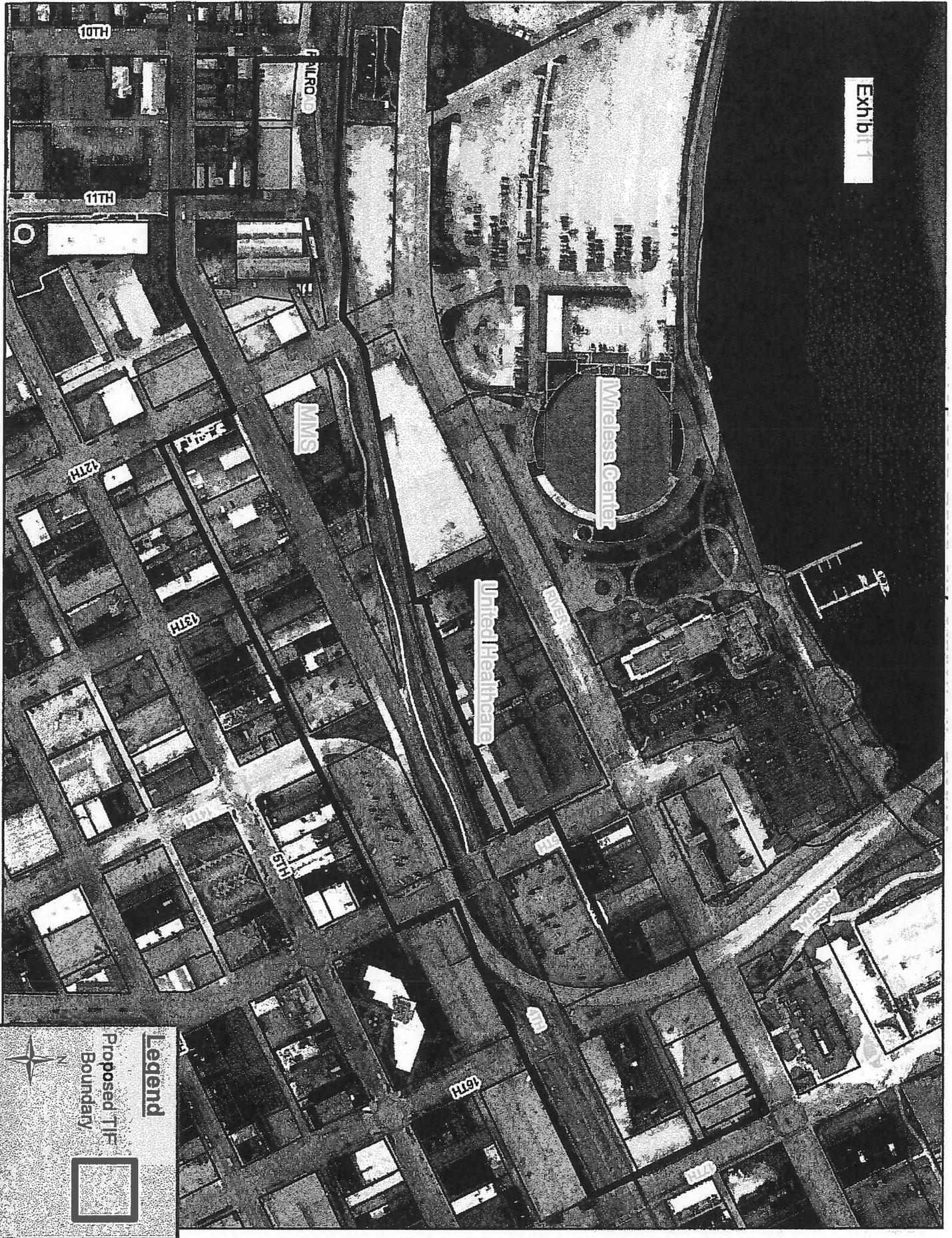
Thence northwesterly along said southwesterly right of way line, a distance of 95 feet, more or less to the southwesterly extension of the northwesterly line of a public alley;

Thence northeasterly along said northwesterly line, a distance of 404 feet, more or less to the southwesterly right of way line of 16th Street;

Thence northwesterly along said southwesterly right of way line, a distance of 148 feet, more or less to the southeasterly right of way line River Drive;

Thence northeasterly along said southwesterly right of way line, a distance of 404 feet, more or less to the Point of Beginning.

The above described parcel contains 21.8 acres, more or less as shown by the attached Exhibit "1".



Legend
Proposed TIF
Boundary

STATE OF ILLINOIS)
)
ROCK ISLAND COUNTY) SS

I, Tracy A. Koranda, City Clerk for the City of Moline, County of Rock Island, State of Illinois, do hereby certify that the foregoing Ordinance, Special Ordinance 3039-2013 is a true and correct copy of the original Ordinance passed by the City Council of the City of Moline, Illinois, at a meeting duly convened and held on the 22nd day of October, 2013.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the corporate seal of the City of Moline, Illinois, this 29th day of October, 2013.



Tracy A. Koranda
City Clerk

(Seal)

Council Bill/General Ordinance No. 3043-2013

Sponsor: _____

AN ORDINANCE

ADOPTING and approving the 2013 Amendment to the City of Moline TIF Redevelopment Project Area No. 1 related to the Riverbend Commons.

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act, 65 5/11-74.4-1 et. seq., hereinafter referred to as the "Act," the City of Moline (the "City") adopted General Ordinance No. 86-12-2 on December 10, 1986 and General Ordinance Nos. 86-12-3 and 86-12-4 on December 16, 1986, which approved a Redevelopment Plan and Project (the "Plan"), designated a redevelopment project area, and established tax increment financing for a specific area legally described therein and commonly referred to as the TIF No. 1 (the "Area"); and

WHEREAS, pursuant to the Act, the City has amended the Plan from time to time, the most recent occurring February 10, 2009 via General Ordinances 3002-2009, 3003-2009 and 3004-2009, which amended the Plan to remove parcels from the redevelopment area in order to facilitate the Kone Centre TIF District.

WHEREAS, it is now desirable and for the best interest of the residents of the City to amend the Area boundaries by removing certain property and street rights-of-way therefrom in order to establish a new TIF redevelopment project area to be identified as the Riverbend Commons Redevelopment Project Area; and

WHEREAS, subsection 11-74.4-5(c) of the Act provides that a redevelopment plan and redevelopment project area may be amended, provided that changes do not:

- (1) add additional parcels of property to the proposed redevelopment project area;
- (2) substantially affect the general land uses proposed in the redevelopment plan;
- (3) substantially change the nature of the redevelopment project;
- (4) increase the total estimated redevelopment project cost set out in the redevelopment plan by more than 5% after adjustment for inflation from the date the plan was adopted;
- (5) add additional redevelopment project costs to the itemized list of redevelopment project costs set out in the redevelopment plan; or,
- (6) increase the number of inhabited residential units to be displaced from the redevelopment project area, as measured from the time of creation of the redevelopment project area, to a total of more than 10.

Said changes may be made without further public hearing, and related notices and procedures including the convening of a joint review board as set forth in Section 11-74.4-6 of the Act, provided that the municipality shall give notice of any such changes by mail to each affected

Sponsor: _____

Page 2

taxing district and registrant on the interested parties registry, provided for under Section 11-74.4-4.2, and by publication in a newspaper of general circulation within the affected taxing districts. Such notice by mail and by publication shall each occur not later than 10 days following the adoption by ordinance of such changes; and

WHEREAS, the change to the Project Area boundary involves the removal of property and, therefore, may be made without further hearing and related notices and procedures.

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

Section 1. That the area described in the attached Exhibit A is hereby removed from the TIF No. 1.

Section 2. That the City Clerk is hereby directed to file a certified copy of this Ordinance with the County Clerk and County Recorder of Rock Island County forthwith after the adoption and approval of this Ordinance.

Section 3. That the City Clerk is hereby directed, within 10 days from the date of passage and approval, to give notice of the passage of this Ordinance by mail to each affected taxing district and registrant on the interested parties registry and publish said notice in the Moline Dispatch, a newspaper of general circulation within the affecting taxing districts.

Section 4. That all ordinances and parts of ordinances in conflict with the provisions of this ordinance are repealed to the extent of such conflict.

Section 5. That this ordinance shall be in full force and effect from and after passage, approval, and if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

Scott Rao
Mayor

10.22.2013
Date

Passed: 10.22.2013

Approved: 11.05.2013

Attest: [Signature]
City Clerk

Approved as to Form:

[Signature]
City Attorney

Exhibit A

Area to be Removed from City of Moline TIF Redevelopment Project Area No. 1 related to the Riverbend Commons

Part of the fractional Northeast quarter and part of the fractional Northwest quarter of Section 33, Township 18 North, Range 1 West of the 4th Principal Meridian in the City of Moline, County of Rock Island, State of Illinois, more particularly described as follows;

Beginning at the at the northwest corner of Lot 1 of Technology Corridor 1st Addition;

Thence northerly along the east right of way line of 25th Street, a distance of 149 feet, more or less to the south bank of the Mississippi River;

Thence easterly along said south bank, a distance of 1,200 feet, more or less to the east line of Tax Parcel No. 08-522;

Thence southerly along said east line, a distance of 102 feet, more or less to the northerly right of way line of River Drive;

Thence easterly along said northerly right of way line, a distance of 327 feet, more or less to the northerly projection of the east line of Lot 2 of Technology Corridor 1st Addition;

Thence southerly along said east line and its northerly projection, a distance of 342 feet, more or less to a point 200 feet northerly of the southeast corner of said Lot 2;

Thence easterly, a distance of 178 feet, more or less;

Thence southerly, a distance of 331 feet, more or less to the southerly right of way line of a railroad and the northwest corner of Tax Parcel No. 08-553-2;

Thence easterly along said southerly right of way line, a distance of 1,611 feet, more or less to the west right of way line of 34th Street;

Thence southeasterly, a distance of 91 feet, more or less to the east right of way line of 34th Street and the southerly right of way line of a railroad;

Thence southerly along said east right of way line, a distance of 421 feet, more or less;

Thence southerly along said east right of way line, a distance of 27 feet, more or less;

Thence southeasterly along said east right of way line, a distance of 39 feet, more or less to the northerly right of way line of 4th Avenue;

Thence easterly along said northerly right of way line, a distance of 46 feet, more or less;

Thence southerly, a distance of 104 feet, more or less to the southerly right of way line of 4th Avenue;

Thence westerly, a distance of 171 feet, more or less to the intersection of the west right of way line of 34th Street and the southerly right of way line of 5th Avenue;

Thence northwesterly, a distance of 80 feet, more or less to the intersection of the westerly right of way line of 34th Street and the northerly right of way line of 5th Avenue;

Thence northerly along said westerly right of way line, a distance of 22 feet, more or less to the south right of way line of 4th Avenue;

Thence westerly, a distance of 2,780 feet, more or less to the southerly projection of the west line of Tax Parcel No. 08-552-2;

Thence northerly along said west line and its southerly projection, a distance of 284 feet, more or less to the southerly line of Tax Parcel No. 08-552-3;

Thence westerly along said southerly line, a distance of 458 feet, more or less to the east right of way line of 25th Street and the southerly right of way line of a railroad;

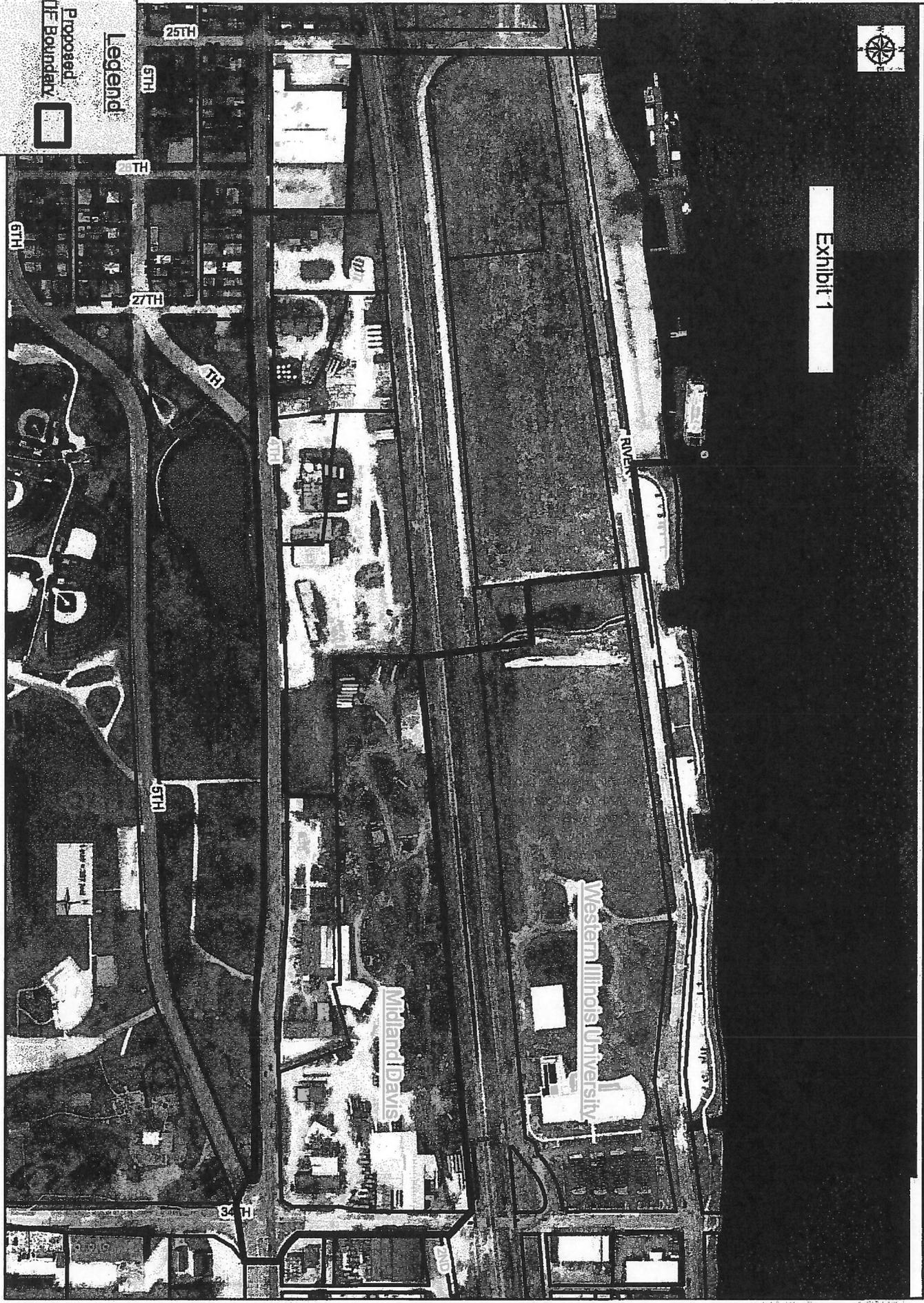
Thence northerly, a distance of 127 feet, more or less to the southwest corner of Lot 1 of Technology Corridor 1st Addition;

Thence northerly along the east right of way line of 25th Street, a distance of 418 feet, more or less to the Point of Beginning.

The above described parcel contains 61.2 acres, more or less as shown by the attached Exhibit "1".

Riverbend Commons - Proposed TIF District

Exhibit 1



STATE OF ILLINOIS)
)
ROCK ISLAND COUNTY) SS

I, Tracy A. Koranda, City Clerk for the City of Moline, County of Rock Island, State of Illinois, do hereby certify that the foregoing Ordinance, Special Ordinance 3043-2013 is a true and correct copy of the original Ordinance passed by the City Council of the City of Moline, Illinois, at a meeting duly convened and held on the 22nd day of October, 2013.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the corporate seal of the City of Moline, Illinois, this 29th day of October, 2013.



Tracy A. Koranda
City Clerk

(Seal)

TIF 1-12

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 2013 (January 1 – December 31).

10.5.14

Date

Scott Raes

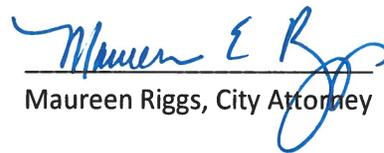
Scott Raes, Mayor

TIF 1-12

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 2013 (January 1 - December 31).

5.28.14
Date


Maureen Riggs, City Attorney

TIF 1

ACTIVITIES STATEMENT

- 5TH Avenue Reconstruction, 11-14 Streets – Project No. 1176
- Construction of Parking Lot Z – 1708 River Drive
- Redevelopment of 1615 5th Avenue (former Moline Community Center) – The Planning Center
- Amendment of TIF 1 project area to establish a new TIF redevelopment project area identified as Multi-Modal Station
- Amendment of TIF 1 project area to establish a new TIF redevelopment project area identified as Riverbend Commons

TIF 1

2013 AGREEMENTS

The following agreements were executed during this reporting fiscal year.

Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute a Performance Based Development Agreement between the City of Moline and Moline Hotel Group, LLC.

WHEREAS, Moline Hotel Group, LLC wishes to facilitate redevelopment of the property located at 320 16th Street, Moline, and seeks to enter into a Performance Based Development Agreement with the City; and

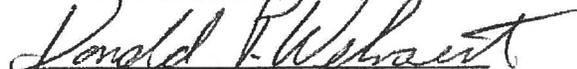
WHEREAS, Moline Hotel Group, LLC plans to purchase the building at 320 16th Street which will include rehabilitation and new construction at 320 16th Street into a Hyatt Place Select Service Hotel or a Hilton Garden Inn, or their respective successors or assignees, or another hotel flag if pre-approved by the written consent of the City and Developer, which will include approximately 100 units consisting of suites, indoor swimming pool, large fitness center, food and beverage, meeting rooms and parking; and

WHEREAS, the City and Moline Hotel Group, LLC agree that to make this redevelopment project economically viable, it is necessary that the City provide an incentive in the form of a property tax rebate assistance in accordance with the law and the terms of this Agreement.

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 a Performance Based Development Agreement between the City of Moline and Moline Hotel Group, LLC; provided said Agreement 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

February 5, 2013

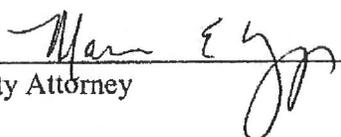
Date

Passed: February 5, 2013

Approved: February 12, 2013

Attest: 
City Clerk

Approved as to Form:


City Attorney

**PERFORMANCE BASED
DEVELOPMENT AGREEMENT**

Between the

CITY OF MOLINE

and

MOLINE HOTEL GROUP, LLC

THIS INDENTURE ("Agreement") made and entered into on this 5th day of February, 2013, by and between the City of Moline, an Illinois Municipal Corporation ("City"), and Moline Hotel Group, LLC, an Illinois Limited Liability Company ("Developer").

WITNESSETH:

WHEREAS, the City wishes to engage in certain lawful activities authorized by applicable law to assist private persons and entities in carrying out certain redevelopment activities which are identified in the Project Plan for the City's Tax Incremental Financing District (TIF) enacted pursuant to the Tax Increment Allocation Redevelopment Act, found generally at 65 ILCS 5/11-74.4-1 et. seq. (the "Act"); and

WHEREAS, the City wishes to enter into this Performance Based Development Agreement with the Developer in order to facilitate redevelopment of the Property (as defined below) located at 320 16th Street, Moline, Illinois; and

WHEREAS, the Redevelopment Project shall consist of the following elements, to-wit:

- i. Purchase of the building at 320 16th Street and land identified as parcel number 08-5459.
- ii. Rehabilitation and new construction at 320 16th Street into a Hyatt Place Select Service Hotel or a Hilton Garden Inn, or their respective successors or assignees, or another hotel flag if pre-approved by the written consent of the City and Developer which will include approximately 100 units consisting of suites, indoor swimming pool, large fitness center, food and beverage, meeting rooms and parking as preliminary schematics in Exhibit E identify.
- iii. Assumption of the existing parking lease for parking spaces currently leased with the City of Moline from Deere & Company.
- iv. Completion of a Licensing Agreement with the City of Moline to allow the construction of a portico/drop-off area which will extend into City Property/ROW.

The foregoing elements of the Hyatt Place Project shall hereinafter be collectively referred to as the "Redevelopment Project" unless individually identified; and

WHEREAS, the Redevelopment Project is to take place upon that certain real property described above as parcel number 08-5459, which is more particularly described in Exhibit A, "Legal Description," attached hereto and incorporated herein by this reference thereto ("Property"); and

WHEREAS, the City has made a commitment to identify and conserve those properties which serve as a visible reminder to the City's architectural and social history, thereby contributing to the cultural and economic vitality and livability of the City through the implementation of sound urban planning and design principles; and

WHEREAS, the City wishes to assist private developers in carrying out projects that expand economic development opportunities and create commercial enterprises in the City; and

WHEREAS, the City believes that the Redevelopment Project to be located on the Property and the fulfillment generally of the terms of this Agreement are in the vital and best interests of the City and its residents, and are in accord with its duty, authority, and the public purposes and conditions arising under the Act and all applicable state and local laws and requirements.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby stipulate, covenant, contract and agree as follows, to-wit:

I. CITY'S AGREEMENT TO PROVIDE ASSISTANCE.

The following sets forth the intentions, undertakings and contractual obligations and responsibilities of the City under this Agreement in accordance with the Development Timetable contained in Exhibit B, attached hereto and incorporated by reference herein:

- A. Maximum TIF Payment. The City's total payment paid from the net incremental real estate tax generated by the Redevelopment Project under this Section I shall not exceed fifteen percent (15%) of the estimated total costs for the Redevelopment Project and shall not extend beyond December 31, 2021, which is the expiration of the property tax TIF district.

The estimated total project cost for the Redevelopment Project is Eleven Million Five Hundred Thousand Dollars (\$11,500,000). Fifteen percent (15%) of such estimated total project cost equals One Million Seven Hundred Twenty Five Thousand Dollars (\$1,725,000), referred to herein

as the Maximum TIF Payment. In no event shall the Maximum TIF Payment ever exceed One Million Seven Hundred Twenty Five Thousand Dollars (\$1,725,000). In the event that the total project cost is less than the amount shown above, then fifteen percent (15%) of the reduced project cost will be the maximum amount paid to the Developer through the term of this Agreement. If, for example, the total project costs are twenty percent (20%) less than the amount shown above, then the total City rebate to Developer will be reduced by twenty percent (20%).

B. Property Tax Rebate. The City shall pay through its TIF Fund to Developer the net incremental annual real estate taxes as follows:

- ❖ 2014, 2015, 2016, 2017: 100%
- ❖ 2018: 90%
- ❖ 2019: 80%
- ❖ 2020: 70%:
- ❖ 2021: 58.56145% or the percentage need to reach a total of 15% of the total project cost. However the TIF District expires in 2021, it being understood that should the Maximum TIF Payment be paid prior to any of the dates listed on this schedule, then no additional amount will be due or owing from the City. In no event will any payment be made after 2021.

The net incremental annual real estate taxes shall be used by the Developer only to pay for eligible redevelopment costs allowed under the Act (65 ILCS 5/11-74.4-3) as illustrated in Exhibit C, "Redevelopment Project Costs," attached hereto and incorporated herein by this reference, subject to the maximum identified in I.A. above. The base year for computation purposes of the net annual increment is agreed to be 2011, which is the most current year. The Equalized Assessed Valuation (EAV) for the base year 2011 is \$208,009. The current annual property taxes equal \$18,547.12. This amount will be the base amount used for calculating increment generated by the Redevelopment Project. The property tax rebate period will start with assessment year 2013 and payment year 2014. An illustrative example of the payments called for under this paragraph is shown in Exhibit D attached hereto and incorporated by reference herein. The percentage payment shall be from the incremental property tax generated solely by the Property, and paid to the City's TIF Account; the City shall remit to the Developer within thirty-days (30) after receipt of total annual payment into said City's TIF Account from Rock Island County. In the event that the Incremental Real Estate Taxes generated are less than the amount shown on Exhibit D, then the percentage of net Incremental Real Estate Taxes generated by the Redevelopment Project will be paid to the Developer for the particular year in question as set forth above. The parties agree that the figures shown in Exhibit D are for illustrative purposes, and the actual annual payments to

be made in any given year may be more or less than the amount shown or may be \$0 depending upon the actual experience.

- C. Maximum Amount of Property Tax Rebate. Pursuant to 65 ILCS 5/11-74.4-3(q), the maximum amount of rebate shall not exceed the sum of all reasonable or necessary eligible costs (see Exhibit C) incurred or incidental to the Redevelopment Plan and Redevelopment Project.
- D. Final Payment. Upon final payment of the amount specified in paragraph I.A., above, or upon making the final payment as specified in I.B. above, the City's obligations under this Agreement shall be fully paid and satisfied regardless of the total amount of payments actually received by the Developer.
- E. Interest. There shall be no interest charged to the City or due to the Developer pursuant to this Agreement at any time, and no interest shall ever be paid to the Developer from the City pursuant to this Agreement, irrespective of whether or not the City is delinquent or otherwise tardy in making payments required hereunder.
- F. Enterprise Zone Benefits. The City shall take no action to eliminate the Enterprise Zone while still authorized by statute for the benefit and duration of the Redevelopment Project by which means materials can be purchased for the construction of the Redevelopment Project without the imposition of sales tax and other economic benefits may be obtained under the Enterprise Zone guidelines as are available under the law. The City will cooperate and assist the Developer in its application for all Enterprise Zone benefits, if any, but the City does not warrant or assure or guarantee that any such benefits will be available to the Developer.
- G. Grants and Loan Applications. The City agrees to use its best efforts to support the Developer in applying to state and federal grant or loan programs that will enhance the Redevelopment Project.
- H. TIF Amendments. The parties expressly understand and agree that all payments provided for in the paragraphs set forth above shall be at all times subject to the requirements and restrictions of the Act.

II. DEVELOPER AGREEMENT TO DEVELOP PROPERTY.

- A. Upon the execution of this Agreement, the Developer shall complete the Redevelopment Project substantially in accordance with the plans and specifications for the Redevelopment Project, which plans and specifications must be approved by the City prior to commencement of the Redevelopment Project (such approval may not unreasonably be withheld), as may be normal, customary or required in order to proceed with the Redevelopment Project, in accordance with all applicable rules,

codes, regulations, ordinances and laws, including without limitation, the City's Design/Build Management Team ("DBMT") process.

- B. Developer agrees to complete the following project elements:
- i. Purchase of the building formally known as the John Deere Collectors Center at 320 16th Street and land identified as parcel number 08-5459;
 - ii. Rehabilitation and new construction at 320 16th Street into a Hyatt Place Select Service Hotel or a Hilton Garden Inn, or their respective successors or assignees, or another hotel flag if pre-approved by the written consent of the City and Developer which will include approximately 100 units consisting of suites, indoor swimming pool, large fitness center, food and beverage, meeting rooms and parking as identified in Exhibit E.
 - iii. Complete the process for a Licensing Agreement with the City of Moline to allow the portico/drop-off to be installed on a portion of the City property.
 - iv. Obtain a sublease or right to use agreement with Deere & Company or the City for the parking currently leased from the City by Deere & Company.
- C. Code Compliance. To the best of the Developer's knowledge, the Redevelopment Project, as designed, is and shall be in full compliance with all applicable state and local laws and ordinances. Further, Developer warrants that the City Code Compliance Manager or Building Official and City Fire Department shall have approved all building plans submitted and agrees to follow all recommendations and requirements of the City Code and the City Code Compliance Manager or Building Official and Fire Chief.
- D. Assessed Valuation. Developer agrees to a minimum equalized assessed value of Three Million Two Hundred Fifty Eight Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents (\$3,258,333.33) and a minimum fair market value of Nine Million Seven Hundred Seventy Five Thousand Dollars (\$9,775,000.00). Developer agrees not to appeal the annual assessed valuation of the Property as determined by the Moline Township Assessor until the expiration of this TIF district, provided that any such assessment is consistent with that of comparable properties.

**III. CONDITIONS PRECEDENT TO CITY'S INCENTIVE PAYMENTS
HEREUNDER.**

A. The Parties agree that the performance of their respective obligations set forth herein is specifically contingent upon the satisfaction and performance of the Developer having obtained a franchise agreement with Hyatt Place Select Service Hotel or a Hilton Garden Inn, or their respective successors or assignees, or another hotel flag if pre-approved by the written consent of the City and Developer and approval of the completed Redevelopment Project by the hotel franchisor and having obtained debt and equity financing, or commitments for the same, in such amounts and having such financial terms as are reasonable and related to a fair market financing subject to the exercise of the Developer's discretion within sixty (60) days of the execution of this Agreement.

B. Prior to the disbursement of any TIF rebate payments, Developer shall provide documentation of the actual project cost incurred, which have been independently verified by a third party mutually agreed to by City and Developer, at Developer's expense. Failure to provide an independently verified accounting of project costs for purposes of calculating the TIF rebate payments pursuant to paragraphs I. A and I. B, preceding, shall constitute a breach of this Development Agreement and relieve the City of its obligation to make payments hereunder.

IV. WARRANTIES OF THE CITY.

The City represents and warrants to the Developer that it is empowered and authorized to execute and deliver this Agreement and to lend and deliver the assistance described herein upon proof of eligible "redevelopment project costs" pursuant to Section 5/11-74.4-3(q) of the Act, and to execute and deliver all other agreements and documents, if any, required hereunder to be executed and delivered by the City. This Agreement has been, and each such document at the time it is executed and delivered will be, duly executed and delivered on behalf of the City pursuant to its legal power and authority to do so. When executed and delivered to the Developer, all such agreements shall constitute a legal, valid, and binding obligation of the City, enforceable in accordance with the terms of all such agreements.

V. WARRANTIES OF THE DEVELOPER.

A. The Developer represents and warrants to the City that the Developer is an Illinois Limited Liability Company duly organized and existing under the laws of the State of Illinois and that all proceedings of the Developer necessary to authorize the negotiation and execution of this Agreement and the consummation of the transaction contemplated by this Agreement have been taken in accordance with applicable law.

B. The Developer represents and warrants to the City that this Agreement has been duly authorized, executed, and delivered by the Developer, and will be enforceable against the Developer by its terms, except to the extent that such enforceability shall be limited by bankruptcy, or solvency, or similar laws of general application affecting the enforcement of creditor rights, and by equitable principles.

C. The Developer represents and warrants to the City that the execution and delivery of this Agreement, and the consummation of the transactions contemplated in this Agreement will not violate any provision of its operating agreement or any other contract, agreement, court order or decree to which the Developer may be a party or to which the Developer may be subject, or any applicable federal or state law or municipal ordinance.

VI. DEVELOPER'S INDEMNIFICATION.

The Developer shall indemnify and hold harmless the City, its agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise directly or indirectly from the failure of the Developer or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee thereof is hired by the Developer) to timely pay any contractor, subcontractor, laborer or materialman, from any default or breach of the terms of this Agreement by the Developer, or from any negligence or reckless or willful misconduct of the Developer or any contractor, subcontractor agent or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by the Developer or Developer's contractor). The Developer shall, at the Developer's sole cost and expense, appear, defend and pay all charges, attorneys' fees, costs and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against the City, its agents, officers, officials or employees in any such action, the Developer shall, at the Developer's sole cost and expense, satisfy and discharge the same. This paragraph shall not apply, and the Developer shall have no obligation whatsoever, with respect to any acts of negligence or reckless or willful misconduct on the part of the City or any of its officers, agents, employees or contractors.

VII. ENTIRE AGREEMENT.

This document and exhibits hereto contain the entire agreement between the Developer and the City as to this Agreement and its burdens and benefits shall inure to the benefit of, and shall be binding upon the parties hereto or a memorandum thereof and their respective heirs, executors, successors, and assigns. This Agreement or a memorandum thereof shall be recorded as set forth below, and may be modified only by written amendment signed by the Developer and the City, which amendment shall become effective upon recording by either party in the Recorder's Office in Rock Island County, Illinois.

VIII. ASSIGNMENT.

The Developer hereunder may assign the rights, duties, and obligations of the Developer only with the prior written consent of the City (which consent may not unreasonably be withheld). For the purposes of this paragraph, consent shall be deemed given by the City upon execution of this Agreement for any assignment to any person or entity having a verified net worth of not less than Ten Million and No/100 Dollars (\$10,000,000.00). If a request for consent is not denied in writing on or before thirty (30) days after written request, such consent shall be deemed given.

IX. SURVIVAL OF WARRANTIES AND REPRESENTATIONS.

Any warranty, representation, or agreement herein contained shall survive the execution of the Agreement.

X. NOTICE OF DEFAULT.

In the event either party is in default hereunder (the "Defaulting Party"), the other party (the "Non-Defaulting Party") shall be entitled to take any action allowed by applicable law by virtue of said default provided that the Non-Defaulting Party first gives the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than thirty (30) days in which the default may be cured by the Defaulting Party.

XI. REMEDIES UPON DEFAULT.

A. If, in the City's reasonable judgment exercised in good faith and with honesty in fact, the Developer is in default of this Agreement, the City shall provide the Developer with a written statement indicating in adequate detail any failure on the Developer's part to fulfill its obligations under this Agreement. Except as required to protect against further damages, the City may not exercise any remedies against the Developer in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Developer diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the City in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach.

B. If the Developer materially fails to fulfill its obligations under this Agreement after notice is given by the City and any cure periods described in Paragraph A above have expired or if all or a portion of any such agreement is terminated, the City may elect to terminate this Agreement or exercise any right or remedy it may have at law or in equity, including without limitation the right to specifically enforce the terms and conditions of this Agreement. If any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy or insolvency act shall be filed by or against the Developer, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Developer insolvent or unable to pay the Developer's debts, or the Developer makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for the Developer or for the major part of the Developer's property, the City may elect, to the extent such election is permitted by law and is not unenforceable under applicable federal bankruptcy laws, but is not required, with or without notice of such election and with or without entry or other action by the City, to forthwith terminate this Agreement. To effect the City's termination of this Agreement under this Section XI.B., the City's

sole obligation shall be to record, in the office of the Rock Island County Recorder, a Certificate of Default executed by the Mayor of the City or such other person as shall be designated by the City, stating that this Agreement is terminated pursuant to the provisions of this Section XI.B., in which event this Agreement by virtue of the recording of such certificate, shall *ipso facto* automatically become null and void and of no further force and effect.

C. If, in the Developer's judgment, the City is in material default of this Agreement, the Developer shall provide the City with a written statement indicating in adequate detail any failure on the City's part to fulfill its obligations under this Agreement. The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the City diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Developer in asserting any right or remedy as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach.

D. In addition to any other rights or remedies, a party may institute legal action against the other party to cure, correct or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to the equitable remedy of an action for specific performance. Notwithstanding the foregoing, in the event either party shall institute and complete legal action against the other party because of a breach of any agreement or obligation contained in this Agreement, the substantially prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

E. The rights and remedies of the parties are cumulative and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or for any other default by the other party.

XII. NON-DISCRIMINATION.

The Developer agrees that neither the Property nor any portion thereof, shall be sold to, leased, or used by the Developer in a manner to permit discrimination or restriction on the basis of race, creed, ethnic origin or identity, color, gender, sexual orientation, religion, marital status, age, handicap, or national origin, and that the development of and construction and operations on the Property shall be in compliance with all effective laws, ordinances, and regulations relating to discrimination on any of the foregoing grounds.

XIII. NOTICES.

Any notice required or permitted hereunder shall be in writing, signed by the party giving the notice, and shall be deemed given when (a) hand delivered to the party to whom the notice is addressed; (b) mailed by certified mail, return receipt requested, United States mail, postage prepaid; or (c) delivered by overnight courier delivery service (i.e. Federal Express, UPS, etc.) and addressed to the party at the address shown as follows:

TO CITY: City Administrator and City Clerk
619 16th Street
Moline, IL 61265

WITH A COPY TO: City Attorney
619 16th Street
Moline, IL 61265

TO DEVELOPER: Moline Hotel Group, LLC
Attn: Neil R. Densmore
245 Horizon Drive, Suite 106
Verona, WI 53593

WITH A COPY TO: Heninger and Heninger P.C.
Attn: Ralph W. Heninger
101 W. 2nd St. Suite 501
Davenport, IA 52801

Any party may change the address to which notices shall be sent by notice given in accordance with the terms of this paragraph.

XIV. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

XV. HEADINGS.

Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

XVI. APPLICABLE LAW.

This Agreement, and each of its subparts and incorporated items thereto shall be interpreted under the laws of the State of Illinois and any action brought to enforce or interpret any of its provisions or otherwise involving this Agreement must be filed in a Rock Island County, Illinois, court of competent jurisdiction.

XVII. SEVERABILITY.

Should any part of this Agreement be determined to be illegal, invalid, or otherwise unenforceable, then all such remaining parts not so affected by such illegality,

invalidity, or unenforceability shall continue in full force and effect, fully binding both parties, their respective heirs and assigns, as to such remaining terms.

XVIII. NO JOINT VENTURE, AGENCY OR PARTNERSHIP CREATED.

Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.

XIX. ASSURANCE OF FURTHER ACTION.

From time to time hereafter and without further consideration, each of the parties to this Agreement shall execute and deliver, or cause to be executed and delivered, such recordable memoranda, further instruments, and agreements, and shall take such other actions, as any other party may reasonably request, in order to more effectively memorialize, confirm, and effectuate the intentions, undertakings, and obligations contemplated by this Agreement.

XX. DELAYED EXECUTION.

After this Agreement is approved by the Moline City Council and duly signed by the Mayor and attested by the City Clerk, the Developer shall have up to ten days (10) from that date to execute this Agreement, and this Agreement shall not be binding on the parties until duly executed by both parties.

XXI. DISCLAIMER OF THIRD PARTY BENEFITS.

The intentions, affirmations, authorizations and agreements between the parties hereto as expressed herein are approved solely by and between the parties hereto and no other; and provided further, however, that neither and none of such intentions, affirmations, authorizations or agreements may be relied upon by any person or entity, to such entity or person(s) detriment, or for any reason whatsoever, whether third person or otherwise. Any such reliance or purported reliance as a third party beneficiary to this Agreement or predicated upon any other relationship to any of the parties hereto and each of them, whether real or alleged, is specifically disclaimed by the parties herein.

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

(Signature provisions on following page)

EXHIBIT A
LEGAL DESCRIPTION

All of Lots 5 – 6 and 7 and All of Lot 8, Block 19 in that part of the City of Moline known as and called the Old or Original Town of Moline, Illinois.

EXHIBIT B
DEVELOPMENT TIMETABLE

- Purchase Property: February 2013
- Demolition and Site Preparation*: February/March 2013
- Rehabilitation of Existing Building: March – November
- New Construction: March 2013
- Finishes/Furniture and Equipment: November - December 2013
- Grand Opening: December 2013

*Developer will comply with all City Ordinances and Requirements for Building Permits. In addition all required DBMT/PMT and City Approvals will be complied with and the schedule may be altered accordingly.

** The foregoing timeline is predicated upon the State of Illinois EPA issuing a no further remedial action letter to Deere & Company that is assignable to the Developer.

EXHIBIT C
REDEVELOPMENT COSTS

Costs as Permitted Pursuant to Section 5/11-74.4-3(q) of the Act:

- Acquisition and other Property Assembly Costs

- Development Services Design and Engineering Services

- Legal/Appraisal

- Surveys and Environmental Reports Related to Property Assembly or Reconstruction, Remodeling, Repair, or Rehabilitation

- Reconstruction, rehabilitation, repair or remodeling

- And other items permitted by the Act

EXHIBIT D
ILLUSTRATIVE EXAMPLE OF FINANCIAL ASSISTANCE*

Hyatt Place

Total Project Cost	85%	EAV	2012 Tax Rate	15% Rebate
\$11,500,000.00	\$9,775,000.00	\$3,258,333.33	\$8.9165/100	\$1,725,000.00

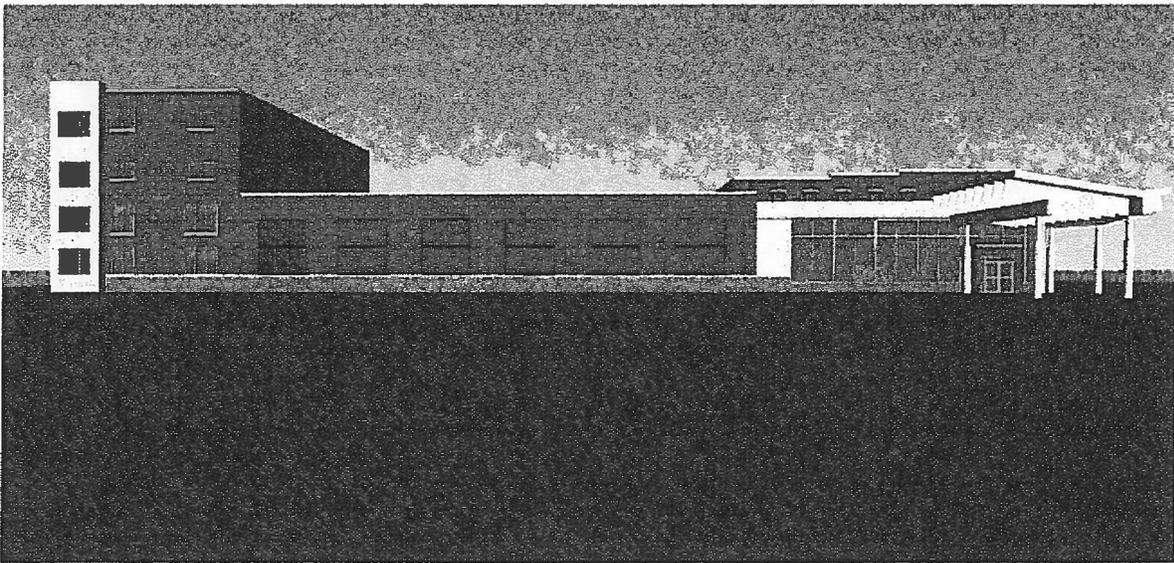
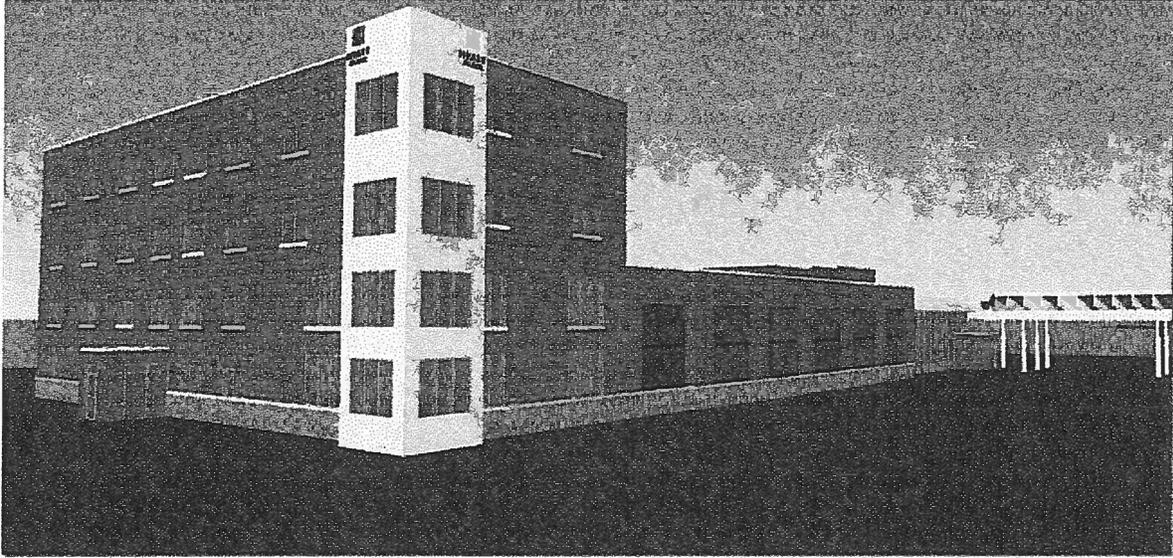
Year Taxes Paid	Taxes	Base	Increment	Rebate	Developer	TIF #1
2014 (partial year)	\$145,264.65	\$22,798.42	\$122,466.23	100%	\$122,466.23	\$0.00
2015	\$290,529.29	\$22,798.42	\$267,730.87	100%	\$267,730.87	\$0.00
2016	\$290,529.29	\$22,798.42	\$267,730.87	100%	\$267,730.87	\$0.00
2017	\$290,529.29	\$22,798.42	\$267,730.87	100%	\$267,730.87	\$0.00
2018	\$290,529.29	\$22,798.42	\$267,730.87	90%	\$240,957.78	\$26,773.09
2019	\$290,529.29	\$22,798.42	\$267,730.87	80%	\$214,184.70	\$53,546.17
2020	\$290,529.29	\$22,798.42	\$267,730.87	70%	\$187,411.61	\$80,319.26
2021	\$290,529.29	\$22,798.42	\$267,730.87	58.56145%	\$156,787.08	\$110,943.79
Total	\$2,178,969.69	\$182,387.36	\$1,996,582.32		\$1,725,000.01	\$271,582.31

**This table is for illustrative purposes only. Actual Taxes and Increment will be based on the EAV as established by the Moline Township and Rock Island Township Assessors and the Tax Levy established by the City of Moline. The annual Property Tax Rebate will be based on the available increment that is generated from the project and will not be paid until all annual property taxes are received by the City of Moline from the Rock Island County Treasurer. In no case shall the Developer receive more than 15% of estimated total project costs as outlined in this Performance Based Development Agreement.*

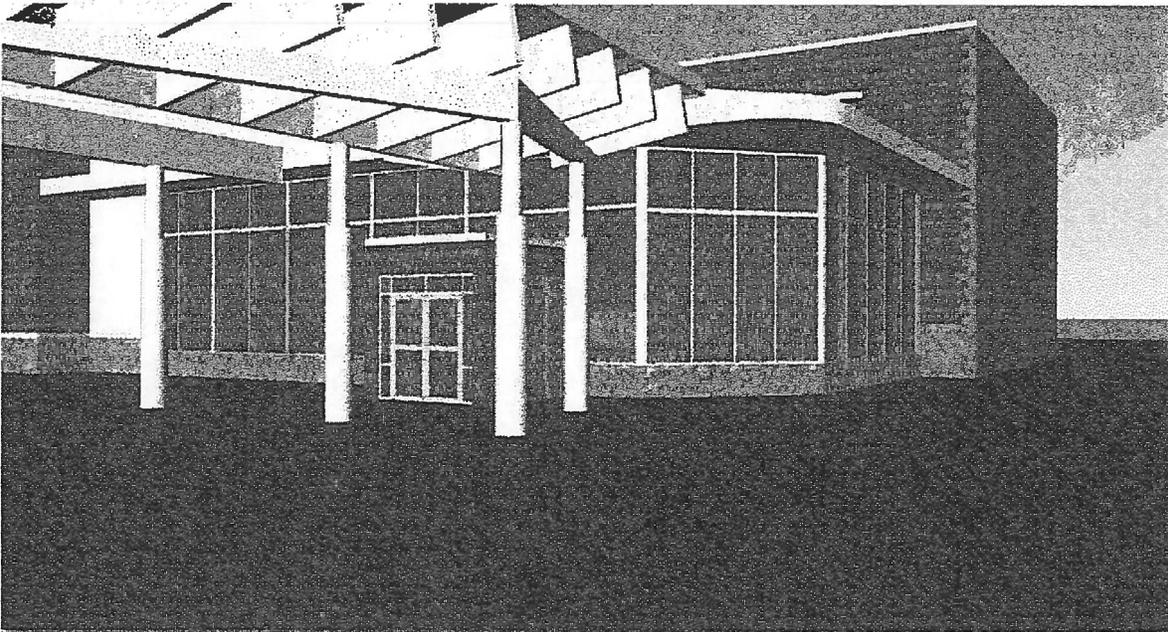
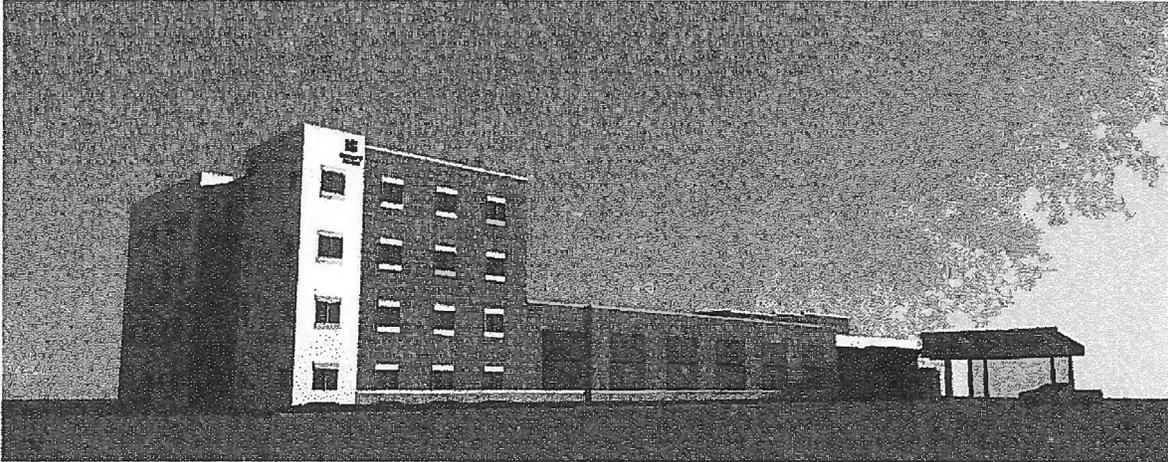
***Estimated EAV is based on the formula of 1/3 of 85% of the Total Project Cost.*

****The 2021 Rebate will be calculated based on the outstanding amount due to the Developer. The TIF District expires in 2021, it being understood that should the Maximum TIF Payment be paid prior to any of the dates listed on this schedule, then no additional amount will be due or owing from the City. In no event will any payment be made after 2021 nor more than \$1,725,000 or a lesser amount as determined from the actual construction cost if less than the estimated total project cost*

**EXHIBIT E
SCHEMATICS**



Conceptual Design Only as plans are subject to change.



Conceptual Design Only as plans are subject to change.

Sponsor: _____

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute a development agreement with Covariance Holdings, LLC, in order to facilitate the redevelopment of the former Moline Community Center.

WHEREAS, Covariance Holdings, LLC, a development company, will redevelop the property located at 1615 Fifth Avenue; and

WHEREAS, redevelopment of the site will provide new property tax to the Tax Increment Financing District 1 and increase the viability of the Moline Centre area.

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 a development agreement with Covariance Holdings, LLC, in order to facilitate the redevelopment of the former Moline Community Center.

BE IT FURTHER RESOLVED that this Resolution is adopted pursuant to the City's Home Rule powers provided in Article VII of the Illinois Constitution and is intended to supercede and control over any conflicting or contrary statute, rule or pronouncement of State law.

BE IT FURTHER RESOLVED that the intentions, affirmations and authorizations of the City of Moline as expressed in the recitals of the projects identified herein are approved as to concept; provided, however, that neither and none of such intentions, affirmations, authorizations or recitals are binding upon the City nor may the same be relied upon by any person or entity, to such entity or person's detriment, or for any reason whatsoever, whether third person or otherwise; and, provided further, that any and all such agreements referenced herein shall be separately reviewed and approved by the City Council subsequent to this Resolution and also approved as to form by the City Attorney.

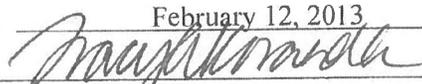
CITY OF MOLINE, ILLINOIS

Mayor

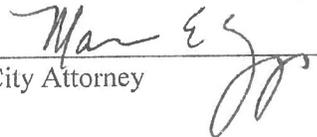
February 5, 2013
Date

Passed: February 5, 2013

Approved: February 12, 2013

Attest: 
City Clerk

APPROVED AS TO FORM:


City Attorney

DEVELOPMENT AGREEMENT

Between the

CITY OF MOLINE

and

**COVARIANCE HOLDINGS, LLC
dba:THE PLANNING CENTER**

THIS INDENTURE ("Agreement") made and entered into on this 5th day of ~~February~~ April, 201~~3~~, by and between the City of Moline, an Illinois Municipal Corporation ("City"), and Covariance Holdings, LLC, an Illinois Limited Liability Company ("Developer").

WITNESSETH:

WHEREAS, the City wishes to engage in certain lawful activities authorized by applicable law to assist private persons and entities in carrying out certain redevelopment activities which are identified in the Project Plan for the City's Tax Incremental Financing District (TIF) enacted pursuant to the Tax Increment Allocation Redevelopment Act, found generally at 65 ILCS 5/11-74.4-1 et. seq. (the "Act"); and

WHEREAS, the City wishes to enter into this Development Agreement with the Developer in order to facilitate redevelopment of the Property (as defined below) located at 1615 Fifth Avenue; and

WHEREAS, the Redevelopment Project shall consist of the following elements, to-wit:

- i. Rehabilitation of 1615 Fifth Avenue into commercial/office space to be occupied by The Planning Center.

The foregoing elements of the Planning Center Project shall hereinafter be collectively referred to as the "Redevelopment Project" unless individually identified; and

WHEREAS, the Redevelopment Project is to take place upon that certain real property described above as parcel number 08-5500, which is more particularly described in Exhibit A, "Legal Description," attached hereto and incorporated herein by this reference thereto ("Property"); and

WHEREAS, the City has made a commitment to identify and conserve those properties which serve as a visible reminder to the City's architectural and social history, thereby contributing to the cultural and economic vitality and livability of the City through the implementation of sound urban planning and design principles; and

WHEREAS, the City wishes to assist private developers in carrying out projects that expand housing opportunities and create commercial enterprises in the City; and

WHEREAS, the City believes that the Redevelopment Project to be located on the Property and the fulfillment generally of the terms of this Agreement are in the vital and best interests of the City and its residents, and are in accord with its duty, authority, and the public purposes and conditions arising under the Act and all applicable state and local laws and requirements.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby stipulate, covenant, contract and agree as follows, to-wit:

I. CITY'S AGREEMENT TO PROVIDE ASSISTANCE.

The following sets forth the intentions, undertakings and contractual obligations and responsibilities of the City under this Agreement in accordance with the Development Timetable contained in Exhibit B, attached hereto and incorporated by reference herein:

- A. Maximum TIF Payment. The City's total payment paid from the net incremental real estate tax generated by the Redevelopment Project under this Section I shall not exceed Forty Thousand Dollars (\$40,000) of the total costs for the Redevelopment Project and shall not extend beyond December 31, 2021, which is the expiration of the property tax TIF district.

The estimated total project cost for the Redevelopment Project is Seven Hundred Thousand Dollars (\$700,000). Providing that the equalized assessed value of parcel 08-5500 is greater than Two Hundred Thousand Dollars (\$200,000) annually, then the City will rebate Five Thousand Dollars (\$5,000) every year through 2021. If the equalized assessed value is less than Two Hundred Thousand Dollars (\$200,000) in any given year, then no property tax rebate would be provided that year. In no event shall the maximum total assistance ever exceed Forty Thousand Dollars (\$40,000) distributed from the property tax rebate.

- B. Property Tax Rebate. The City shall pay through its TIF Fund to Developer the net incremental annual real estate taxes as follows:
- ❖ \$5,000 annually in: 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 or until the final payment is made or the TIF District expires in 2021, it being understood that should the Maximum TIF Payment be paid prior to any of the dates listed on this schedule, then no additional amount will be due or owing from the City. In no event will any payment be made after 2021.

The net incremental annual real estate taxes shall be used by the Developer only to pay for eligible redevelopment costs allowed under the Act (65 ILCS 5/11-74.4-3) as illustrated in Exhibit C, "Redevelopment Project Costs," attached hereto and incorporated herein by this reference, subject to the maximum identified in I.A. above. The base year for computation purposes of the net annual increment is agreed to be the annual real estate taxes for parcel 08-5500; the base Equalized Assessed Valuation (EAV) for the base year 2012 is \$85,239. The property tax rebate period will start with assessment year 2013 and payment year 2014. An illustrative example of the payments called for under this paragraph is shown in Exhibit D attached hereto and incorporated by reference herein. The payment shall be from the incremental property tax generated solely by the Property, and paid to the City's TIF Account; the City shall remit to the Developer within thirty-days (30) after receipt of total annual payment into said City's TIF Account from Rock Island County. The parties agree that the figures shown in Exhibit D are for illustrative purposes, and the actual annual payments to be made in any given year may be \$0 depending upon the actual experience.

- C. Maximum Amount of Property Tax Rebate. Pursuant to 65 ILCS 5/11-74.4-3(q), the maximum amount of rebate shall not exceed the sum of all reasonable or necessary eligible costs (see Exhibit C) incurred or incidental to the Redevelopment Plan and Redevelopment Project.
- D. Final Payment. Upon final payment of the amount specified in paragraph I.A., above, or upon making the final payment as specified in I.B. above, the City's obligations under this Agreement shall be fully paid and satisfied regardless of the total amount of payments actually received by the Developer.
- E. Interest. There shall be no interest charged to the City or due to the Developer pursuant to this Agreement at any time, and no interest shall ever be paid to the Developer from the City pursuant to this Agreement, irrespective of whether or not the City is delinquent or otherwise tardy in making payments required hereunder.
- F. Enterprise Zone Benefits. The City shall take no action to eliminate the Enterprise Zone while still authorized by statute for the benefit and duration of the Redevelopment Project by which means materials can be purchased for the construction of the Redevelopment Project without the imposition of sales tax and other economic benefits may be obtained under the Enterprise Zone guidelines as are available under the law. The City will cooperate and assist the Developer in its application for all Enterprise Zone benefits, if any, but the City does not warrant or assure or guarantee that any such benefits will be available to the Developer.

- G. Grants and Loan Applications. The City agrees to use its best efforts to support the Developer in applying to state and federal grant or loan programs that will enhance the Redevelopment Project.
- H. TIF Amendments. The parties expressly understand and agree that all payments provided for in the paragraphs set forth above shall be at all times subject to the requirements and restrictions of the Act.

II. DEVELOPER AGREEMENT TO DEVELOP PROPERTY.

- A. Upon the execution of this Agreement, the Developer shall complete the Redevelopment Project substantially in accordance with the plans and specifications for the Redevelopment Project, which plans and specifications must be approved by the City prior to commencement of the Redevelopment Project (such approval may not unreasonably be withheld), as may be normal, customary or required in order to proceed with the Redevelopment Project, in accordance with all applicable rules, codes, regulations, ordinances and laws, including without limitation, the City's Design/Build Management Team ("DBMT") process.
- B. Developer agrees to complete the following project elements:
 - i. Rehabilitation of 1615 Fifth Avenue into commercial/office space.
- C. Code Compliance. To the best of the Developer's knowledge, the Redevelopment Project, as designed, is and shall be in full compliance with all applicable state and local laws and ordinances. Further, Developer warrants that the City Code Compliance Manager or Building Official and City Fire Department shall have approved all building plans submitted and agrees to follow all recommendations and requirements of the City Code and the City Code Compliance Manager or Building Official and Fire Chief.
- D. Assessed Valuation. Developer agrees to a minimum equalized assessed value of Two Hundred Thousand Dollars (\$200,000) and a minimum fair market value of Six Hundred Thousand Dollars (\$600,000). Developer agrees not to appeal the annual assessed valuation of the Property as determined by the Moline Township Assessor until the expiration of this TIF district, provided that any such assessment is consistent with that of comparable properties within the City's Tax Increment Financing District #1.

**III. CONDITIONS PRECEDENT TO CITY'S INCENTIVE PAYMENTS
HEREUNDER.**

- A. The Parties agree that the performance of their respective obligations set forth herein is specifically contingent upon the satisfaction and performance of the Developer having obtained debt and equity financing, or commitments for the same, in

such amounts and having such financial terms as are reasonable and related to a fair market financing subject to the exercise of the Developer's discretion within sixty (60) days of the execution of this Agreement.

B. Prior to the disbursement of any TIF rebate payments, Developer shall provide documentation of the actual project cost incurred, which have been independently verified by a third party mutually agreed to by City and Developer, at Developer's expense. Failure to provide an independently verified accounting of project costs for purposes of calculating the TIF rebate payments pursuant to paragraphs I. A and I. B, preceding, shall constitute a breach of this Development Agreement and relieve the City of its obligation to make payments hereunder.

C. This project may be subject to the Illinois Prevailing Wage Act. Developer agrees to comply with the Act and agrees to indemnify and hold harmless City from any and all claims, damages, fines, fees and penalties arising out of non-compliance with the Act by Developer and its agents.

IV. WARRANTIES OF THE CITY.

The City represents and warrants to the Developer that it is empowered and authorized to execute and deliver this Agreement and to lend and deliver the assistance described herein upon proof of eligible "redevelopment project costs" pursuant to Section 5/11-74.4-3(q) of the Act, and to execute and deliver all other agreements and documents, if any, required hereunder to be executed and delivered by the City. This Agreement has been, and each such document at the time it is executed and delivered will be, duly executed and delivered on behalf of the City pursuant to its legal power and authority to do so. When executed and delivered to the Developer, all such agreements shall constitute a legal, valid, and binding obligation of the City, enforceable in accordance with the terms of all such agreements.

V. WARRANTIES OF THE DEVELOPER.

A. The Developer represents and warrants to the City that the Developer is an Illinois Limited Liability Company duly organized and existing under the laws of the State of Illinois and that all proceedings of the Developer necessary to authorize the negotiation and execution of this Agreement and the consummation of the transaction contemplated by this Agreement have been taken in accordance with applicable law.

B. The Developer represents and warrants to the City that this Agreement has been duly authorized, executed, and delivered by the Developer, and will be enforceable against the Developer by its terms, except to the extent that such enforceability shall be limited by bankruptcy, or solvency, or similar laws of general application affecting the enforcement of creditor rights, and by equitable principles.

C. The Developer represents and warrants to the City that the execution and delivery of this Agreement, and the consummation of the transactions contemplated in this Agreement will not violate any provision of its operating agreement or any other contract, agreement, court order or decree to which the Developer may be a party or to

which the Developer may be subject, or any applicable federal or state law or municipal ordinance.

VI. DEVELOPER'S INDEMNIFICATION.

The Developer shall indemnify and hold harmless the City, its agents, officers and employees against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise directly or indirectly from the failure of the Developer or any contractor, subcontractor or agent or employee thereof (so long as such contractor, subcontractor or agent or employee thereof is hired by the Developer) to timely pay any contractor, subcontractor, laborer or materialman, from any default or breach of the terms of this Agreement by the Developer, or from any negligence or reckless or willful misconduct of the Developer or any contractor, subcontractor agent or employee thereof (so long as such contractor, subcontractor or agent or employee is hired by the Developer or Developer's contractor). The Developer shall, at the Developer's sole cost and expense, appear, defend and pay all charges, attorneys' fees, costs and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against the City, its agents, officers, officials or employees in any such action, the Developer shall, at the Developer's sole cost and expense, satisfy and discharge the same. This paragraph shall not apply, and the Developer shall have no obligation whatsoever, with respect to any acts of negligence or reckless or willful misconduct on the part of the City or any of its officers, agents, employees or contractors.

VII. ENTIRE AGREEMENT.

This document and exhibits hereto contain the entire agreement between the Developer and the City as to this Agreement and its burdens and benefits shall inure to the benefit of, and shall be binding upon the parties hereto or a memorandum thereof and their respective heirs, executors, successors, and assigns. This Agreement or a memorandum thereof shall be recorded as set forth below, and may be modified only by written amendment signed by the Developer and the City, which amendment shall become effective upon recording by either party in the Recorder's Office in Rock Island County, Illinois.

VIII. ASSIGNMENT.

The Developer hereunder may assign the rights, duties, and obligations of the Developer only with the prior written consent of the City (which consent may not unreasonably be withheld). For the purposes of this paragraph, consent shall be deemed given by the City upon execution of this Agreement for any assignment to any person or entity having a verified net worth of not less than Five Million and No/100 Dollars (\$5,000,000.00). If a request for consent is not denied in writing on or before thirty (30) days after written request, such consent shall be deemed given.

IX. SURVIVAL OF WARRANTIES AND REPRESENTATIONS.

Any warranty, representation, or agreement herein contained shall survive the execution of the Agreement.

X. NOTICE OF DEFAULT.

In the event either party is in default hereunder (the "Defaulting Party"), the other party (the "Non-Defaulting Party") shall be entitled to take any action allowed by applicable law by virtue of said default provided that the Non-Defaulting Party first gives the Defaulting Party written notice of default describing the nature of the default, what action, if any, is deemed necessary to cure the same and specifying a time period of not less than thirty (30) days in which the default may be cured by the Defaulting Party.

XI. REMEDIES UPON DEFAULT.

A. If, in the City's judgment, the Developer is in default of this Agreement, the City shall provide the Developer with a written statement indicating in adequate detail any failure on the Developer's part to fulfill its obligations under this Agreement. Except as required to protect against further damages, the City may not exercise any remedies against the Developer in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the Developer diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the City in asserting any of its rights or remedies as to any default or alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach.

B. If the Developer materially fails to fulfill its obligations under this Agreement after notice is given by the City and any cure periods described in Paragraph A above have expired or if all or a portion of any such agreement is terminated, the City may elect to terminate this Agreement or exercise any right or remedy it may have at law or in equity, including without limitation the right to specifically enforce the terms and conditions of this Agreement. If any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy or insolvency act shall be filed by or against the Developer, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare the Developer insolvent or unable to pay the Developer's debts, or the Developer makes an assignment for the benefit of its creditors, or a trustee or receiver is appointed for the Developer or for the major part of the Developer's property, the City may elect, to the extent such election is permitted by law and is not unenforceable under applicable federal bankruptcy laws, but is not required, with or without notice of such election and with or without entry or other action by the City, to forthwith terminate this Agreement. To effect the City's termination of this Agreement under this Section XI.B., the City's sole obligation shall be to record, in the office of the Rock Island County Recorder, a Certificate of Default executed by the Mayor of the City or such other person as shall be designated by the City, stating that this Agreement is terminated pursuant to the provisions of this Section XI.B., in which event this Agreement by virtue of the recording

of such certificate, shall *ipso facto* automatically become null and void and of no further force and effect.

C. If, in the Developer's judgment, the City is in material default of this Agreement, the Developer shall provide the City with a written statement indicating in adequate detail any failure on the City's part to fulfill its obligations under this Agreement. The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured within such thirty (30) day period, such thirty (30) day period shall be extended for such time as is reasonably necessary for the curing of the same, so long as the City diligently proceeds with such cure; if such default is cured within such extended period, the default shall not be deemed to constitute a breach of this Agreement. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Developer in asserting any right or remedy as to any default or any alleged default or breach shall not operate as a waiver of any such default or breach or of any rights or remedies it may have as a result of such default or breach.

D. In addition to any other rights or remedies, a party may institute legal action against the other party to cure, correct or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement, either at law or in equity, including, but not limited to the equitable remedy of an action for specific performance. Notwithstanding the foregoing, in the event either party shall institute and complete legal action against the other party because of a breach of any agreement or obligation contained in this Agreement, the substantially prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

E. The rights and remedies of the parties are cumulative and the exercise by a party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or for any other default by the other party.

XII. NON-DISCRIMINATION.

The Developer agrees that neither the Property nor any portion thereof, shall be sold to, leased, or used by the Developer in a manner to permit discrimination or restriction on the basis of race, creed, ethnic origin or identity, color, gender, sexual orientation, religion, marital status, age, handicap, or national origin, and that the development of and construction and operations on the Property shall be in compliance with all effective laws, ordinances, and regulations relating to discrimination on any of the foregoing grounds.

XIII. NOTICES.

Any notice required or permitted hereunder shall be in writing, signed by the party giving the notice, and shall be deemed given when (a) hand delivered to the party to whom the notice is addressed; (b) mailed by certified mail, return receipt requested,

United States mail, postage prepaid; or (c) delivered by overnight courier delivery service (i.e. Federal Express, UPS, etc.) and addressed to the party at the address shown as follows:

TO CITY: City Administrator and City Clerk
619 16th Street
Moline, IL 61265

WITH A COPY TO: City Attorney
619 16th Street
Moline, IL 61265

TO DEVELOPER: Covariance Holdings, LLC
Mathew Sivertsen, Manager
1615 Fifth Avenue
Moline, IL 61265

WITH A COPY TO: Mark D. Churchill
Churchill & Churchill, P.C.
1610 Fifth Avenue
Moline, IL 61265

Any party may change the address to which notices shall be sent by notice given in accordance with the terms of this paragraph.

XIV. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

XV. HEADINGS.

Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

XVI. APPLICABLE LAW.

This Agreement, and each of its subparts and incorporated items thereto shall be interpreted under the laws of the State of Illinois and any action brought to enforce or interpret any of its provisions or otherwise involving this Agreement must be filed in a Rock Island County, Illinois, court of competent jurisdiction.

XVII. SEVERABILITY.

Should any part of this Agreement be determined to be illegal, invalid, or otherwise unenforceable, then all such remaining parts not so affected by such illegality, invalidity, or unenforceability shall continue in full force and effect, fully binding both parties, their respective heirs and assigns, as to such remaining terms.

XVIII. NO JOINT VENTURE, AGENCY OR PARTNERSHIP CREATED.

Neither anything in this Agreement nor any acts of the parties to this Agreement shall be construed by the parties or any third person to create the relationship of a partnership, agency, or joint venture between or among such parties.

XIX. ASSURANCE OF FURTHER ACTION.

From time to time hereafter and without further consideration, each of the parties to this Agreement shall execute and deliver, or cause to be executed and delivered, such recordable memoranda, further instruments, and agreements, and shall take such other actions, as any other party may reasonably request, in order to more effectively memorialize, confirm, and effectuate the intentions, undertakings, and obligations contemplated by this Agreement.

XX. DELAYED EXECUTION.

After this Agreement is approved by the Moline City Council and duly signed by the Mayor and attested by the City Clerk, the Developer shall have up to ten days (10) from that date to execute this Agreement, and this Agreement shall not be binding on the parties until duly executed by both parties.

XXI. DISCLAIMER OF THIRD PARTY BENEFITS.

The intentions, affirmations, authorizations and agreements between the parties hereto as expressed herein are approved solely by and between the parties hereto and no other; and provided further, however, that neither and none of such intentions, affirmations, authorizations or agreements may be relied upon by any person or entity, to such entity or person(s) detriment, or for any reason whatsoever, whether third person or otherwise. Any such reliance or purported reliance as a third party beneficiary to this Agreement or predicated upon any other relationship to any of the parties hereto and each of them, whether real or alleged, is specifically disclaimed by the parties herein.

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

EXHIBIT A
LEGAL DESCRIPTION

The East Forty (40) feet of Lot Six (6) and the West Seventy (70) feet (except the East 34 feet) of Lot Seven (7) all in Block Number Twenty-Four (24) in that part of the City of Moline known as and called the Old or Original Town of Moline; situated in the County of Rock Island and the State of Illinois.

For Informational Purposes Only

Address: 1615 Fifth Avenue
Parcel Number: 08-5500



EXHIBIT B

DEVELOPMENT TIMETABLE

July 2012 - Purchased 1615 Fifth Avenue

August 2012 – Roof replacement

September 2012 – Sign removal and interior build out

October 2012 – Restoration of front façade and HVAC

January 2013 – Finish interior renovation

February 2013 – The Planning Center opens for business

EXHIBIT C
REDEVELOPMENT COSTS

Costs as Permitted Pursuant to Section 5/11-74.4-3(q) of the Act:

- Acquisition and other Property Assembly Costs
- Development Services Design and Engineering Services
- Legal/Appraisal
- Surveys and Environmental Reports Related to Property Assembly or Reconstruction, Remodeling, Repair, or Rehabilitation
- Reconstruction, rehabilitation, repair or remodeling
- And other items permitted by the Act

EXHIBIT D
ILLUSTRATIVE EXAMPLE OF FINANCIAL ASSISTANCE

No. Of Yrs.	Assessment Yr	Payable Yr	Property Tax Rebate
1	2013	2014	\$5,000
2	2014	2015	\$5,000
3	2015	2016	\$5,000
4	2016	2017	\$5,000
5	2017	2018	\$5,000
6	2018	2019	\$5,000
7	2019	2020	\$5,000
8	2020	2021	\$5,000

Providing that the equalized assessed value of parcel 08-5500 is greater than Two Hundred Thousand Dollars (\$200,000) annually, then the City will rebate Five Thousand Dollars (\$5,000) every year through 2021.

TIF 1-12

JOINT REVIEW BOARD

The Joint Review Board met on June 17, 2014 to discuss the 2013 Annual TIF Reports. Minutes from the meeting to follow.

Joint Review Board
June 17, 2014
10:00 am
Moline City Hall
Committee-of-the-Whole Room
619 – 16th Street

MINUTES

Joint Review Board (JRB) Representatives Present:

Lew Steinbrecher, City of Moline
David McDermott, Moline School District
Kim Lazenby, South Moline Township
Steve Meersman, Rock Island County
Phil Banaszek, Rock Island County
David Hendrickx, Moline Township

Interested Parties Registry Members Present:

Sandy O'Neil

City of Moline Staff Present:

Mayor Scott Raes
Maureen Riggs, City Attorney
Ray Forsythe, Planning & Development Director
Annaka Whiting, Housing Grant Compliance Analyst
Holly K. Jackson, Administrative Secretary

Mayor Scott Raes called the meeting to order at 10:00 a.m. and asked Ray Forsythe, Planning & Development Director, to provide a summary of the 2013 Annual TIF Report.

Ray Forsythe noted that the report was sent to Joint Review Board members and individuals on the Interested Parties Registry prior to the meeting. The report was also available online at the City's website. He indicated that the reports were completed by Annaka Whiting, Housing Grant Compliance Analyst, reviewed by Kathy Carr, Finance Director, and by Maureen Riggs, City Attorney.

A spreadsheet summarizing each TIF was provided to those present. In Addition, Ms. Whiting provided an update to TIF #1 which included Attachment A, changes to the redevelopment project area. Mr. Forsythe summarized each TIF District by providing the name, date established, expiration date, base EAV, current EAV, prior year EAV increase/decrease, beginning balance, deposits, expenditures, and ending balance. Mr. Forsythe discussed specific information related to each TIF including bond proceeds, large expenditures and changes in EAVs due to decrease in property values. It was also noted that there was a difference in the way the TIFs were numbered last year compared to this year due to the order in which the TIFs were approved.

Mr. Forsythe highlighted the following:

TIF #1

- Substantial amendment to boundary to establish TIF #11 – Multi-Modal Area and TIF #12 – Riverbend Commons

TIF #3

- Positive ending balance; it is the City's desire to end TIF when bonds have been paid

TIF #4

- Public infrastructure improvements
- Termination of Development Agreement due to developer's failure to complete project

TIF #5

- Positive ending balance
- Kone building 59% occupied

TIF #6

- Discussion on previous developer and future of property
- Russell Construction currently completing market feasibility study – favorable to begin construction

TIF #7

- Increase in EAV
- Bond issuance
- Sanitary/Sewer project ongoing

TIF #8

- Negative balance mainly due to TIF Study
- Development Agreement with Macerich; Redevelopment of mall, John Deere Road entrance, and signage. Agreement does not include office, retail oriented only
- Update of construction at SouthPark Mall; demolition

TIF #9

- Increase in EAV due to leasing of area farmland
- No new negotiations

TIF #10

- EAV will come online next year
- Taxes will be paid next year
- Discussion on future development

TIF #11

- Negative balance due to TIF Study
- TIF area's focus is on transportation and parking, i.e. Amtrak

TIF #12

- Occupancy of Student Housing by WIU is expected in Mid August

Kim Lazenby asked about the default by the developer for TIF #4. Mr. Forsythe explained that the developer was in default and there currently was no remedy because the developer filed bankruptcy. Ms. Riggs mentioned the Development Agreement has been terminated. She also mentioned the City hopes the bank forecloses and obtains the property and will sell to a new developer to finish out the development.

Mr. Forsythe gave an update on TIF #5 and provided information on a tenant who is leasing space on the parking deck. The same tenant is expected to open a restaurant on the first floor. Dave McDermott

asked about cost and if the units were fully occupied. Mr. Forsythe explained the occupancy was at 59% and that new signed leases will help property tax.

Ms. Lazenby asked if TIF #8 SouthPark Mall will offer any office space. Mr. Forsythe explained Macerich will be doing the demolition, remodel, parking lot, and signage. There is no office space contained in the agreement with Macerich. Mr. Forsythe explained the City has hired an advisory firm which will be focused on retail recruitment.

Ms. Lazenby indicated that East Moline has a spreadsheet similar to that presented by the City of Moline. Ms. Lazenby noted that the East Moline's spreadsheet also included financial projections. Mr. Forsythe and Lew Steinbrecher explained that it would be too difficult to provide projections due to a number of variables.

Ms. Lazenby asked the City to look into the timing of the lights on 41st Street at the new Genesis development. Mr. Forsythe said he would ask Engineering to look into the matter.

Mr. McDermott asked if the information on the spreadsheet could be included with the agenda when mailed.

Mr. Forsythe gave an update on current TIF activities, specifically TIF #11 and the progress of the Amtrak accommodations. He mentioned that market rate apartments near WIU were on track for development and noted the continued growth and improvements in TIF #1.

Mr. Steinbrecher mentioned the progress with the airport infrastructure, including water and sewer, and development should be underway next year.

Mayor Raes asked for an update on the recycling center near Routes 6 & 150. Mr. Forsythe stated there wasn't anything new.

Mr. Forsythe briefly discussed the changes the state has made to floodways and the impact it could have on marketing properties near Routes 6 & 150 and the airport.

Mr. Forsythe concluded by stating the bottom line is that the TIF's have positive deposits vs. expenditures and the City is being fiscally responsible overall.

Mayor Raes Adjourned the Meeting at 10:49 am.

TIF 1

AUDITED FINANCIAL STATEMENTS

CITY OF MOLINE

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2013

	General	Tax Increment Financing #1	Debt Service	Capital Projects
ASSETS				
Cash and cash equivalents	\$ 77,434	\$ 16,779	\$ 50,901	\$ -
Restricted cash and cash equivalents	-	-	-	-
Investments	10,057,162	-	-	751,290
Restricted investments	-	-	-	-
Receivables (net)				
Property taxes	10,130,957	3,301,122	-	-
Accounts	1,440,021	-	-	-
Accrued interest	-	-	-	16,284
Loans	-	27,220	4,117,445	-
Other taxes	5,508,236	-	-	1,542,621
Due from other governments	161,813	-	-	-
Due from other funds	523,580	997	52,000	500,000
Inventories	8,556	-	-	-
Prepaid items	-	-	-	-
Interfund advances	<u>4,932,859</u>	<u>-</u>	<u>-</u>	<u>267,814</u>
TOTAL ASSETS	<u>\$ 32,840,618</u>	<u>\$ 3,346,118</u>	<u>\$ 4,220,346</u>	<u>\$ 3,078,009</u>

See accompanying notes to financial statements.

CITY OF MOLINE

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2013

	<u>General</u>	<u>Tax Increment Financing #1</u>	<u>Debt Service</u>	<u>Capital Projects</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 633,953	\$ 20,000	\$ -	\$ 456,813
Accrued expenses	777,642	4,118	-	-
Due to other governments	-	50,000	-	-
Due to other funds	438,577	2,717,213	-	73,819
Unearned revenues for grants	-	-	-	-
Deposits	68,295	-	-	11,160
Line of credit	-	-	4,117,445	-
Interfund advances	-	3,927,958	-	-
Total Liabilities	<u>1,918,467</u>	<u>6,719,289</u>	<u>4,117,445</u>	<u>541,792</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	9,821,630	3,009,985	-	-
Unavailable revenues for other taxes	1,992,265	-	-	523,252
Unavailable revenues for grants	-	-	-	-
Total Deferred Inflows of Resources	<u>11,813,895</u>	<u>3,009,985</u>	<u>-</u>	<u>523,252</u>
Fund Balances (Deficit)				
Nonspendable	4,941,415	-	-	-
Restricted	291,573	-	102,901	-
Committed	-	-	-	2,012,965
Assigned	-	-	-	-
Unassigned	13,875,268	(6,383,156)	-	-
Total Fund Balances (deficit)	<u>19,108,256</u>	<u>(6,383,156)</u>	<u>102,901</u>	<u>2,012,965</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 32,840,618</u>	 <u>\$ 3,346,118</u>	 <u>\$ 4,220,346</u>	 <u>\$ 3,078,009</u>

See accompanying notes to financial statements.

CITY OF MOLINE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2013

	General	Tax Increment Financing #1	Debt Service	Capital Projects
REVENUES				
Taxes	\$ 35,120,396	\$ 2,917,408	\$ -	\$ 7,324,406
Licenses and permits	1,072,353	-	-	-
Intergovernmental	481,592	16,779	-	-
Charges for services	4,396,902	-	-	13,365
Fines, forfeitures and penalties	328,298	-	-	-
Use of money and property	74,525	76,820	204,972	21,306
Contributions	-	-	-	-
Miscellaneous	433,655	20,839	-	333
Total Revenues	<u>41,907,721</u>	<u>3,031,846</u>	<u>204,972</u>	<u>7,359,410</u>
EXPENDITURES				
Current				
General government	2,335,879	-	-	296,562
Public safety	27,084,431	-	-	-
Public works	9,067,186	-	-	192,056
Economic development	1,417,135	486,303	-	211,207
Culture and recreation	-	-	-	-
Libraries	-	-	-	-
Capital Outlay	433,911	-	-	3,135,856
Debt Service				
Principal	100,000	1,855,000	2,676,171	-
Interest and fiscal charges	-	510,877	1,884,647	3,440
Total Expenditures	<u>40,438,542</u>	<u>2,852,180</u>	<u>4,560,818</u>	<u>3,839,121</u>
Excess (deficiency) of revenues over expenditures	<u>1,469,179</u>	<u>179,666</u>	<u>(4,355,846)</u>	<u>3,520,289</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	297,451	101,929	3,963,546	-
Transfers out	(893,770)	-	-	(3,942,692)
Proceeds from sale of capital assets	106,638	-	-	-
Total Other Financing Sources (Uses)	<u>(489,681)</u>	<u>101,929</u>	<u>3,963,546</u>	<u>(3,942,692)</u>
Net Change in Fund Balances	979,498	281,595	(392,300)	(422,403)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>18,128,758</u>	<u>(6,664,751)</u>	<u>495,201</u>	<u>2,435,368</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 19,108,256</u>	<u>\$ (6,383,156)</u>	<u>\$ 102,901</u>	<u>\$ 2,012,965</u>

See accompanying notes to financial statements.

TIF 1

CERTIFIED AUDIT REPORT



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, 2013, and have issued our report thereon dated May 23, 2014. 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
May 23, 2014