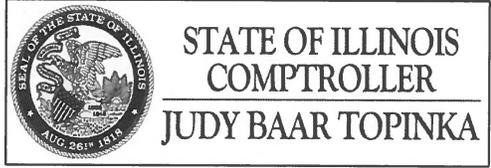


**FY 2014  
ANNUAL TAX INCREMENT FINANCE  
REPORT**



Name of Municipality: Moline Reporting Fiscal Year: **2014**  
 County: Rock Island Fiscal Year End: **12/31/2014**  
 Unit Code: 081-050-30

**TIF Administrator Contact Information**

First Name: Annaka Last Name: Whiting  
 Address: 619 16th Street Title: Compliance Analyst  
 Telephone: 309-524-2035 City: Moline Zip: 61265  
 Mobile \_\_\_\_\_ E-mail \_\_\_\_\_  
 Mobile \_\_\_\_\_ Best way to  Email \_\_\_\_\_ Phone \_\_\_\_\_  
 Provider \_\_\_\_\_ contact  Mobile \_\_\_\_\_ Mail \_\_\_\_\_

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of  
 Moline  
 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 5/28/15  
 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.]**

**FY 2014**

<b>Name of Redevelopment Project Area:</b>	Downtown
<b>Primary Use of Redevelopment Project Area*:</b>	Combination/Mixed
<b>If "Combination/Mixed" List Component Types:</b>	CBD/Industrial/Residential
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>	
<b>Tax Increment Allocation Redevelopment Act</b> <u>  x  </u>	<b>Industrial Jobs Recovery Law</b> _____

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

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

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**

**Provide an analysis of the special tax allocation fund.**

**FY 2014**

**TIF NAME: TIF 1 - Downtown**

Fund Balance at Beginning of Reporting Period

\$ (6,383,156)

<b>Revenue/Cash Receipts Deposited in Fund During Reporting FY:</b>	<b>Reporting Year</b>	<b>Cumulative*</b>	<b>% of Total</b>
Property Tax Increment	\$ 2,640,876	\$ 38,127,075	44%
State Sales Tax Increment	\$ -	\$ 4,292,087	5%
Local Sales Tax Increment		\$ 2,964,730	3%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 70,821	\$ 759,836	1%
Land/Building Sale Proceeds		\$ 91,667	0%
Bond Proceeds		\$ 30,780,000	35%
Transfers from Municipal Sources	\$ 4,376,464	\$ 8,216,971	9%
Private Sources		\$ 485,087	1%
Other (identify source _____; if multiple other sources, attach schedule)	\$ 20,000	\$ 1,553,524	2%

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

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period**

\$ 7,108,161

**Cumulative Total Revenues/Cash Receipts**

\$ 87,270,976      100%

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

\$ 3,104,162

**Distribution of Surplus**

**Total Expenditures/Disbursements**

\$ 3,104,162

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS**

\$ 4,003,998

**FUND BALANCE, END OF REPORTING PERIOD\***

\$ (2,379,158)

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

**SURPLUS\*/(DEFICIT)(Carried forward from Section 3.3)**

\$ (23,147,507)









**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 2014

TIF NAME: TIF 1 - Downtown

**FUND BALANCE, END OF REPORTING PERIOD** \$ (2,379,158)

	<b>Amount of Original Issuance</b>	<b>Amount Designated</b>
<b>1. Description of Debt Obligations</b>		
General Obligation Bond Series 2012C	\$ 7,350,000	\$ 6,377,378
General Obligation Bond Series 2012E	\$ 5,930,000	\$ 4,326,250
General Obligation Bond Series 2012G	\$ 3,120,000	\$ 2,816,055
General Obligation Bond Series 2012I	\$ 3,440,000	\$ 3,820,800

**Total Amount Designated for Obligations** \$ 19,840,000    \$ 17,340,483

<b>2. Description of Project Costs to be Paid</b>		
Administrative Costs		\$ 2,547,017
Developer Rebates		\$ 880,850

**Total Amount Designated for Project Costs** \$ 3,427,867

**TOTAL AMOUNT DESIGNATED** \$ 20,768,350

**SURPLUS\*/(DEFICIT)** \$ (23,147,507)

\* 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 2014**

**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.

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

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

Property (1):	Ray's Appliance
Street address:	1221 5 Avenue
Approximate size or description of property:	.195 Acres
Purchase price:	109,577.84
Seller of property:	James R. Miller and Kathleen M. Miller

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

FY 2014

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 <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
<b>ENTER</b> total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			10
<b>TOTAL:</b>	<b>11/1/99 to Date</b>	<b>Estimated Investment for Subsequent Fiscal Year</b>	<b>Total Estimated to Complete Project</b>
Private Investment Undertaken (See Instructions)	\$ 29,805,000	\$ -	\$ 29,805,000
Public Investment Undertaken	\$ 5,514,329	\$ 153,035	\$ 5,667,364
Ratio of Private/Public Investment	5 32/79		5 7/27

**Project 1: \*IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE**

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 2:**

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 3:**

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 4:**

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 5:**

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 6:**

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

<b>Project 7:</b> 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

<b>Project 8:</b> 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

<b>Project 9:</b> 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

<b>Project 10:</b> 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

<b>Project 11:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment			

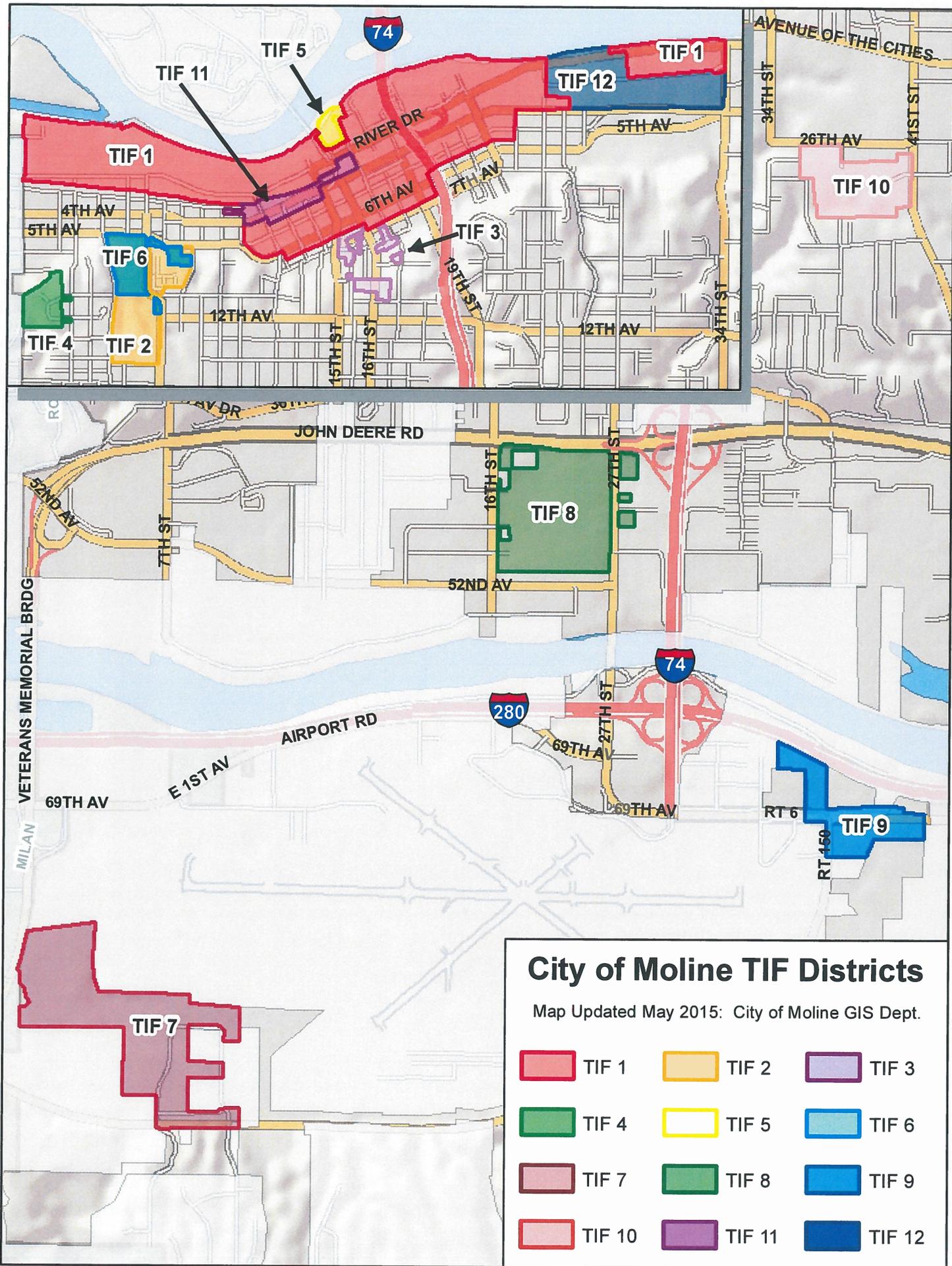
<b>Project 12:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment			

<b>Project 13:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment			

<b>Project 14:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment			

<b>Project 15:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment			





### City of Moline TIF Districts

Map Updated May 2015: 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 1-12

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 2014 (January 1 – December 31).

6-26-15  
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 2014 (January 1 - December 31).

6.12.15  
Date

  
Maureen Riggs, City Attorney

**TIF 1**

**ACTIVITIES STATEMENT**

- 5<sup>TH</sup> Avenue Reconstruction, 11-14 Streets – Project No. 1176
- Application submitted to expand zone boundaries of the Illinois Quad Cities Enterprise Zone

TIF 1

2014 AGREEMENTS

The following agreements were executed during this reporting fiscal year.

Council Bill/Special Ordinance No. 4052-2014

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

A SPECIAL ORDINANCE

AUTHORIZING the Mayor and City Clerk to execute a Performance Based Development Agreement between the City of Moline and LionGazelle Properties, L.L.C. for the "Hoa-Lan Redevelopment" project and to execute any necessary agreements referenced therein, and authorizing all appropriate City officers and staff to do all things necessary to complete each of the City's responsibilities pursuant to said agreement.

WHEREAS, LionGazelle Properties, L.L.C. ("Developer") seeks to enter into a Performance Based Development Agreement with the City to facilitate redevelopment of the property located at 1611 5<sup>th</sup> Avenue, known as the Hoa-Lan Redevelopment ("Project"); and

WHEREAS, the Project will consist of the redevelopment of the property into four (4) commercial spaces; and

WHEREAS, the City wishes to support the redevelopment within the Project through the granting of certain lawful incentives to Developer, including but not limited to those available through Tax Increment Financing ("TIF") pursuant to the Tax Increment Allocation Redevelopment Act, found generally at 65 ILCS 5/11-74.4-1 et. seq. (the "Act" or the "TIF Act"); 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 believes that the Redevelopment Project to be located on the Property and the fulfillment generally of the terms of this Development Agreement are in the vital and best interest of the City and its residents.

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

Section 1 – That the Mayor and City Clerk are hereby authorized to execute a Development Agreement between the City of Moline and LionGazelle Properties, L.L.C., for the Hoa-Lan Redevelopment project and to execute any necessary agreements referenced therein, and authorizing all appropriate City officers and staff to do all things necessary to complete each of the City's responsibilities pursuant to said agreement; provided, however, that 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.

Section 2 – 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 Raer

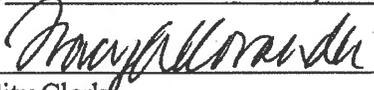
Mayor

12.09.2014

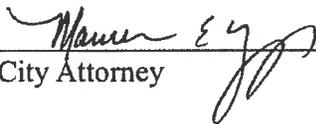
Date

Passed: 12.09.2014

Approved: 12.09.2014

Attest:   
City Clerk

Approved as to Form:

  
City Attorney

**DEVELOPMENT AGREEMENT**

Between the

**CITY OF MOLINE**

and

**LIONGAZELLE PROPERTIES, L.L.C.**

**"HOA-LAN REDEVELOPMENT"**

*December 2014*  
*September* THIS INDENTURE ("Agreement") made and entered into on this *9<sup>th</sup>* *19<sup>th</sup>* day of *September*, 2014, by and between the City of Moline, an Illinois Municipal Corporation ("City"), and LionGazelle Properties, L.L.C., an Illinois Limited Liability Company, duly registered to do business in the State of Illinois. ("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 1611 5<sup>th</sup> Avenue; to be known as the Hoa-Lan Redevelopment; and

WHEREAS, the Redevelopment Project shall consist of the following elements:

- i. Developer to complete the purchase of the building at 1611 5<sup>th</sup> Avenue; this single (1) property is identified as parcel number: 08-5501;
- ii. Rehabilitation of 1611 5<sup>th</sup> Avenue into four (4) commercial spaces;

The foregoing elements of the Hoa-Lan 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 08-5501, which is more particularly described in Exhibit A, "Legal Description," attached hereto and incorporated herein by this reference thereto; 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, it is necessary for the successful completion of the Project that the City enter into this Development Agreement with Developer to provide for the redevelopment of the Property, thereby implementing the TIF Plan; and

WHEREAS, but for certain incentives to be provided by the City in accordance with the Act and pursuant to the home rule powers of the City, which the City is willing to provide under the terms and conditions contained herein, the Parties acknowledge and agree that but for the incentives, to be provided by the City as set forth herein, Developer cannot successfully and economically develop the Property substantially in conformance with the Redevelopment Project. The City has determined that it is desirable and in the City's best interests to assist Developer in the manner set forth herein and as this Development Agreement may be supplemented and amended from time to time; 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 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, Five-Hundred Dollars (\$700,500). Fifteen percent

(15%) of the total project cost equals One Hundred Five Thousand Seventy Five Dollars (\$105,075). In no event shall the maximum total assistance ever exceed One Hundred Five Thousand Seventy Five Dollars (\$105,075) distributed from the property tax rebate. 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 distributed from the property tax rebate will be reduced by twenty percent (20%).

Both parties acknowledge that the Tax Increment Financing District expires in 2021 and that there may not be the full increment generated prior to the expiration of the TIF to reach 15% of the total project cost. It is understood that the City is under no obligation to provide additional revenue sources to meet the 15% rebate indicated above.

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

100%: 2015 – 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 the dates listed on this schedule than 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 paid to the City shall be reimbursed to the Developer only to pay for eligible redevelopment expenses allowed under the Act (65 ILCS 5/11-74.4-3) as illustrated in Exhibit C, "TIF Eligible Expenses," 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 incremental annual real estate taxes is agreed to be 2014, and the base Equalized Assessed Valuation (EAV) for the base year 2014 for parcel 08-5501 is Fifty One Thousand Seven Hundred Ninety Seven Dollars (\$51,797). The property tax rebate period will start with assessment year 2014 and payment year 2015. 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 Incremental Real Estate Taxes generated will be paid to the Developer for the particular year in question as set forth above.

Developer agrees to pay property taxes for the Property when due and payable and understands and agrees that failure to pay property taxes for the Property in a timely manner will render the City's rebate obligation null and void. Developer further agrees that the total rebate paid is limited to the increment generated by the project and paid to the City's TIF Account and may not be the amount identified in Section I.A. above. An illustrative example of the payments called for under this paragraph is shown in Exhibit D attached hereto and by this reference made a part hereof. The parties agree that the figures shown in Exhibit D are for illustrative purposes, and the actual payments to be made in any given year may be 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 expenses (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.
- B. Developer agrees to complete the following project elements in accordance with the Development Timetable attached hereto and incorporated herein by reference as Exhibit B:
- i. Purchase of the building at 1611 5<sup>th</sup> Avenue, identified as parcel number 08-5501;
  - ii. Rehabilitation of 1611 5<sup>th</sup> Avenue into four (4) commercial spaces;
- 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 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 Building Official and Fire Chief.
- D. Assessed Valuation. 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.

#### **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 duly authorized to do business in 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.

The City makes no representations or warranties as to whether or not the Illinois Prevailing Wage Act applies to this Project. Payment of Prevailing Wage and compliance with the Prevailing Wage Act, if required, is the sole responsibility of Developer, and/or its contractors and subcontractors. Developer agrees to indemnify and hold harmless the City and the agents, officers and employees thereof against all losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise from any claims pertaining to the Illinois Prevailing Wage Act.

## **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 16 <sup>th</sup> Street Moline, IL 61265
WITH A COPY TO:	City Attorney 619 16 <sup>th</sup> Street Moline, IL 61265
TO DEVELOPER:	LionGazelle Properties, L.L.C. Attn: Christopher Schram and Carmen Schram 1412 29 <sup>th</sup> Street 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.

**XXII. TERM.**

This Agreement shall be in full force and effect from and after execution hereof by the last party to execute same and shall remain in full force and effect to and until the later of (i) December 31, 2021 and (ii) the final net incremental annual real estate property tax payment generated under the TIF Ordinances for TIF eligible Project costs have been received by Developer.

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

THE CITY OF MOLINE, ILLINOIS

DATED: 12.09.2014

By: Scott Raes  
Scott Raes, Mayor

Attest: Tracy Koranda  
Tracy Koranda, City Clerk

LionGazelle Properties, L.L.C.

DATED: 9/19/14

By: Christopher Schram  
Christopher Schram

By: Carmen Schram  
Carmen Schram

Approved as to form:

Maureen E. Riggs  
Maureen E. Riggs, City Attorney

STATE OF ILLINOIS                    )  
  )    SS:  
COUNTY OF ROCK ISLAND        )

On this 9th day of December, 2014, before me, the undersigned, a Notary Public in and for the State of Illinois, personally appeared **Scott Raes** and **Tracy Koranda** to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the **CITY OF MOLINE**, executing the within and foregoing instrument to which this is attached; that said instrument was signed (and sealed) on behalf of (the seal affixed thereto is the seal of said corporation) as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

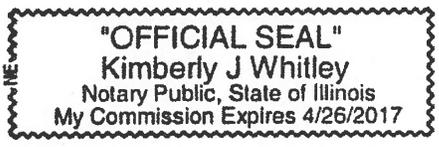


Vickie L. Felger  
NOTARY PUBLIC

STATE OF Illinois )  
COUNTY OF Rock Island )

SS:

On this 19<sup>th</sup> day of September, 2014, before me, a Notary Public in and for said County and State aforesaid, personally appeared **Christopher Schram** to me personally known, who being by me duly sworn (or affirmed) did say that he is a Manager of **LionGazelle Properties, L.L.C.**, and that said instrument was signed on behalf of the Corporation; **Christopher Schram** acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation, by it and by him voluntarily executed.



Kimberly J Whitley  
NOTARY PUBLIC

STATE OF Illinois )  
COUNTY OF Rock Island )

SS:

On this 19<sup>th</sup> day of September, 2014, before me, a Notary Public in and for said County and State aforesaid, personally appeared **Carmen Schram** to me personally known, who being by me duly sworn (or affirmed) did say that she is a Manager of **LionGazelle Properties, L.L.C.**, and that said instrument was signed on behalf of the Corporation; **Carmen Schram** acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation, by it and by him voluntarily executed.



Kimberly J Whitley  
NOTARY PUBLIC

**EXHIBIT A**  
**LEGAL DESCRIPTIONS**

**Tract I:** [1611 5<sup>th</sup> Avenue, Moline, Illinois] The West Half (W ½) of Lot Number Six (6) in Block Number Twenty-four (24) in that part of the City of Moline known as and called OLD OR ORIGINAL TOWN; situated in the County of Rock Island and the State of Illinois.

**EXHIBIT B**

**DEVELOPMENT TIMETABLE**

Close on 1611 5 <sup>th</sup> Avenue property	10/2014
Begin Construction on 1611 5 <sup>th</sup> Avenue	10/2014
Complete Construction on 1611 5 <sup>th</sup> Avenue	12/2014
Occupancy	01/2015

**EXHIBIT C**  
**TIF ELIGIBLE EXPENSES**

**Expenses 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 REBATE**

HOA-LAN  
ESTIMATED INCREMENT WORKSHEET  
8/27/2014

Total Project Cost \$ 700,500  
EAV Estimate at Completion \$ 595,425 Fair Market Value (85% of project cost)  
\$ 105,075 Rebate Amount (15% of Total Project Cost)

ID #	Address	Total Fair Market Value (FMV)	EAV (2014)	"base" EAV (1986)	New EAV	*Project Increment	2013 Tax Rate 9.0085	Development Increment
1	08-5501 1611 5th Avenue	\$595,425	\$ 51,797	\$ 29,389	\$ 198,475	\$ 146,678	9.0085	\$ 13,213
2								
3								
		\$ 595,425	\$ 51,797	\$ 29,389	\$ 198,475	\$ 146,678	9.0085	\$ 13,213

**REBATE ESTIMATE WITH REVISED SCHEDULE**

No. Of Yrs.	Assmt Yr	Payable Yr	Net Prop. Tax Incre.	Prop. Tax Rebate	% Dev'r. PTX Rebate
1	2015	2016	\$13,213.49	\$13,213.49	100%
2	2016	2017	\$13,477.76	\$13,477.76	100%
3	2017	2018	\$13,747.31	\$13,747.31	100%
4	2018	2019	\$14,022.26	\$14,022.26	100%
5	2019	2020	\$14,302.70	\$14,302.70	100%
6	2020	2021	\$14,588.76	\$14,588.76	100%
7	2021	2022	\$14,880.53	\$14,880.53	100%
Total			\$98,232.81	\$98,232.81	

Council Bill/Special Ordinance No.: 4014-2014

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

A SPECIAL ORDINANCE

AUTHORIZING the Mayor and City Clerk to execute a Performance Based Development Agreement between the City of Moline and KJMC Properties, L.L.C. for the "Skinner Block Development" project and to execute any necessary agreements referenced therein, and authorizing all appropriate City officers and staff to do all things necessary to complete each of the City's responsibilities pursuant to said agreement.

WHEREAS, KJMC Properties, L.L.C. ("Developer") seeks to enter into a Performance Based Development Agreement with the City to facilitate redevelopment of properties located at 1522 and 1524-1534 River Drive and 1529 3<sup>rd</sup> Avenue A, known as the Skinner Block Development ("Project"); and

WHEREAS, the Project will consist of the following elements: redevelopment of the property to include up to 22 market rate apartments and commercial uses in three adjacent properties; leasing of up to 40 parking spaces through a long term lease as well as leases for outdoor dining in the adjacent courtyard; and an addition to the existing dumpster area; and

WHEREAS, the City wishes to support the redevelopment within the Project through the granting of certain lawful incentives to Developer, including but not limited to those available through Tax Increment Financing ("TIF") pursuant to the Tax Increment Allocation Redevelopment Act, found generally at 65 ILCS 5/11-74.4-1 et. seq. (the "Act" or the "TIF Act"); 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 believes that the Redevelopment Project to be located on the Property and the fulfillment generally of the terms of this Development Agreement are in the vital and best interest of the City and its residents.

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

Section 1 - That the Mayor and City Clerk are hereby authorized to execute a Development Agreement between the City of Moline and KJMC Properties, L.L.C, for the Skinner Block Development project and to execute any necessary agreements referenced therein, and authorizing all appropriate City officers and staff to do all things necessary to complete each of the City's responsibilities pursuant to said agreement; provided, however, that 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.

**Section 2** – 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 Raas  
Mayor

5.13.2014  
Date

Passed: 5.13.2014  
~~2013~~ MK

Approved: 5.20.2014  
~~2013~~ MK

Attest: Tracy Koranda  
City Clerk

Approved as to Form:

Ma E  
City Attorney

**DEVELOPMENT AGREEMENT**

Between the

**CITY OF MOLINE**

and

**KJMC PROPERTIES, L.L.C.**

**"SKINNERBLOCK DEVELOPMENT"**

THIS INDENTURE ("Agreement") made and entered into on this ~~17<sup>th</sup>~~ <sup>13<sup>th</sup></sup> day of ~~April~~ <sup>May</sup> 2014, by and between the City of Moline, an Illinois Municipal Corporation ("City"), and KJMC Properties, L.L.C., an Iowa Limited Liability Company, duly registered to do business in the State of Illinois. ("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 1522 and 1524-1534 River Drive and 1529 3<sup>rd</sup> Avenue A; to be known as the Skinner Block Development; and

WHEREAS, the Redevelopment Project shall consist of the following elements:

- i. Developer to complete the purchase of the building at 1522 River Drive; Developer current record title owner of the following two (2) buildings located at 1524-1534 River Drive and 1529 3<sup>rd</sup> Avenue A; these three (3) properties are identified as parcel numbers: 08-5437-1, 08-5435 and 08-5436;
- ii. Rehabilitation of 1524-1534 River Drive into 12 apartments on the second and third floors, and rehabilitation of 1522 River Drive into a commercial space on the first floor and either 2 apartments or commercial use on the second floor;
- iii. Rehabilitation of 1529 3<sup>rd</sup> Avenue A into 8 apartments units on the second and third floors.

- iv. Commit to lease a minimum of 40 parking spaces at market rate from the City in the future when a parking structure is completed on adjacent property.

The foregoing elements of the Skinner Block 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 numbers 08-5437-1, 08-5435 and 08-5436, which is more particularly described in Exhibit A, "Legal Description," attached hereto and incorporated herein by this reference thereto; 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, it is necessary for the successful completion of the Project that the City enter into this Development Agreement with Developer to provide for the redevelopment of the Property, thereby implementing the TIF Plan; and

WHEREAS, but for certain incentives to be provided by the City in accordance with the Act and pursuant to the home rule powers of the City, which the City is willing to provide under the terms and conditions contained herein, the Parties acknowledge and agree that but for the incentives, to be provided by the City as set forth herein, Developer cannot successfully and economically develop the Property substantially in conformance with the Redevelopment Project. The City has determined that it is desirable and in the City's best interests to assist Developer in the manner set forth herein and as this Development Agreement may be supplemented and amended from time to time; 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 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 Three Million Six Hundred Thousand Dollars (\$3,600,000). Fifteen percent (15%) of the total project cost equals Five Hundred Forty Thousand Dollars (\$540,000). In no event shall the maximum total assistance ever exceed Five Hundred Forty Thousand Dollars (\$540,000) distributed from the property tax rebate. 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 distributed from the property tax rebate will be reduced by twenty percent (20%).

Both parties acknowledge that the Tax Increment Financing District expires in 2021 and that there may not be the full increment generated prior to the expiration of the TIF to reach 15% of the total project cost. It is understood that the City is under no obligation to provide additional revenue sources to meet the 15% rebate indicated above.

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

100%: 2014 – 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 the dates listed on this schedule than 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 paid to the City shall be reimbursed to the Developer only to pay for eligible redevelopment expenses allowed under the Act (65 ILCS 5/11-74.4-3) as illustrated in Exhibit C, "TIF Eligible Expenses," 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 incremental annual real estate taxes is agreed to be 2013, and the base Equalized Assessed Valuation (EAV) for the base year 2013 for parcels 08-5437-1, 08-5435 and 08-5436 is Three Hundred Seventy Thousand Eight Hundred Sixty Two Dollars (\$370,862). The property tax rebate period will start with assessment year 2013 and payment year 2014. 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 Incremental Real Estate Taxes generated will be paid to the Developer for the particular year in question as set forth above.

Developer agrees to pay property taxes for the Property when due and payable and understands and agrees that failure to pay property taxes for the Property in a timely manner will render the City's rebate obligation null and void. Developer further agrees that the total rebate paid is limited to the increment generated by the project and paid to the City's TIF Account and may not be the amount identified in Section I.A. above. An illustrative example of the payments called for under this paragraph is shown in Exhibit D attached hereto and by this reference made a part hereof. The parties agree that the figures shown in Exhibit D are for illustrative purposes, and the actual payments to be made in any given year may be less than the amount shown or may be \$0 depending upon the actual experience.

- C. Parking. The City agrees to allow the tenants of the Skinner Block Development to park in the Visitor Parking Lots at 17<sup>th</sup> Street and River Drive (East Lot, referred to as Lot Z, being located at the southeast intersection of 17<sup>th</sup> Street and River Drive directly north of Washington Square Apartments as depicted on Exhibit E, and West Lot being located at 320 16<sup>th</sup> Street (the former Deere Collectors Center ), as well as connecting lot to the north just south of River Drive and the connecting lot to the west between the railroad tracks and the Historic Block Courtyard as depicted on Exhibit E). Exhibit E is attached hereto and incorporated herein by reference. At such time that a development is approved and construction is under way on the West Lot, the City agrees to provide temporary parking in nearby City-owned parking lots as depicted on Exhibit E, namely the adjacent Visitor Lots and East Lot (Lot Z). At such time as a permanent parking structure is completed, the City will provide a minimum of 40 parking spaces to the residents of the Skinner Block Development at market rate, which will be equal to the rate to be charged

to the general public to park in the parking structure on a long-term lease basis.

- D. 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 expenses (see Exhibit C) incurred or incidental to the Redevelopment Plan and Redevelopment Project.
- E. 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.
- F. 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.
- G. 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.
- H. 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.
- I. 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.
- J. Lease of Outdoor Space. City shall lease to Developer, upon Developer's request, the unimproved real estate of 12 feet or less in width, so that no existing landscaping is affected, running along the west side of 1522 River Drive, Moline, Illinois (legally described as Tract III on Exhibit A). The Lease shall be for a five (5) year period and shall contain four (4) five-year options to renew, but in no case shall the Lease extend

beyond 2039. The premises to be leased from City to Developer shall be no greater than 12 feet wide east and west, but in no case shall the leased area encroach on existing landscaping, and shall run along and be the length of the north/south measurement of the west side of the existing building located at 1522 River Drive. The Developer or Developer's Tenant shall provide liability insurance in an amount not less than \$1,000,000.00, with City as an additional insured, and agree to maintain the insurance on the leased premises throughout the term of the Lease. The Developer or Developer's tenant shall be allowed to improve the leased premises for outdoor use with minimum improvements to be a concrete slab; entirely fenced in with only access through the building located at 1522 River Drive; with seasonal shelter improvements in the nature of a canopy/roof with a possibility of screened in area along the north, west and south sides of the leased premises. Developer and Developer's tenant may make additional improvements to extend the seasonal use of the leased premises using outdoor heaters, along with other reasonable improvements. City and Developer further agree that lease payments shall be originally determined either by agreement or by securing the written opinion of a licensed Illinois real estate appraiser having his office in Rock Island County, Illinois, to determine the appropriate square footage rental value of the leased premises. The City and Developer further agree that the Lease will contain options to renew as previously indicated, however, the rent payment for all future option periods shall be determined by revaluation of the appropriate per square foot lease payment by a licensed real estate appraiser as indicated above. If the Developer or Developer's tenant wants to serve alcoholic beverages at or on the demised premises, then, Developer/Tenant shall first have to apply for and secure all appropriate liquor licenses from the City of Moline and fully comply with the then existing Moline Liquor Ordinance. Nothing in this Agreement shall serve as approval of any liquor license on any of the premises referenced herein.

- K. Garbage Dumpsters. City agrees to provide to Developer an addition to the existing dumpster area in the southern edge of the parking lot west of the Arsenal Bridge ramp/Collector's Center as long as Developer coordinates with the City's Public Works Department as to the location, size and design, which will need to be consistent with the existing structure. Developer shall construct the addition at its sole cost and expense. Developer shall agree, by separate written agreement, to keep its assigned area clean and well-maintained and to assume sole responsibility for the specific area where its dumpster is located. Should the existing dumpster area need to re-located for any reason, City will

coordinate with Developer to find an alternative site that is acceptable to both parties.

**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 process through Renew Moline.
- B. Developer agrees to complete the following project elements in accordance with the Development Timetable attached hereto and incorporated herein by reference as Exhibit B:
- i. Purchase of the building at 1522 River Drive identified as parcel number 08-5437-1;
  - ii. Rehabilitation of 1524-1534 River Drive into 12 apartments on the second and third floors, and rehabilitation of 1522 River Drive into a commercial space on the first floor and either 2 apartments or commercial use on the second floor;
  - iii. Rehabilitation of 1529 3<sup>rd</sup> Avenue A into 8 apartments units on the second and third floors.
  - iv. Lease a minimum of 40 parking spaces from the City in the future when a parking structure is completed on adjacent property. (See paragraph I-C of this Agreement.)
- 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 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.

**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 Iowa Limited Liability Company duly organized and existing under the laws of the State of Iowa and duly authorized to do business in 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.

The City makes no representations or warranties as to whether or not the Illinois Prevailing Wage Act applies to this Project. Payment of Prevailing Wage and compliance with the Prevailing Wage Act, if required, is the sole responsibility of Developer, and/or its contractors and subcontractors. Developer agrees to indemnify and hold harmless the City and the agents, officers and employees thereof against all losses, damages, claims, suits, liabilities, judgments, costs and expenses (including any liabilities, judgments, costs and expenses and reasonable attorney's fees) which may arise from any claims pertaining to the Illinois Prevailing Wage Act.

#### **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 16<sup>th</sup> Street  
Moline, IL 61265

WITH A COPY TO: City Attorney  
619 16<sup>th</sup> Street  
Moline, IL 61265

TO DEVELOPER: KJMC Properties, L.L.C.  
Attn: Christopher R. Townsend,  
Manager and Member  
2950 Mc Clellan Boulevard  
Davenport, IA 52803

TO DEVELOPER: Aaron Klosterman, Manager  
2950 Diamond Mill Circle  
Coralville, Iowa 52241

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.

**XXII. TERM.**

This Agreement shall be in full force and effect from and after execution hereof by the last party to execute same and shall remain in full force and effect to and until the later of (i) December 31, 2021 and (ii) the final net incremental annual real estate property tax payment generated under the TIF Ordinances for TIF eligible Project costs have been received by Developer.

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

THE CITY OF MOLINE, ILLINOIS

KJMC Properties, L.L.C.

DATED: 5.13.2014

DATED: April 17, 2014

By: Scott Raes  
Scott Raes, Mayor

By: [Signature]  
Christopher R. Townsend

By: [Signature]  
Aaron Klosterman

Attest: [Signature]  
Tracy Koranda, City Clerk

Approved as to form:

[Signature]  
Maureen E. Riggs, City Attorney

STATE OF ILLINOIS )  
 )  
COUNTY OF ROCK ISLAND ) SS:

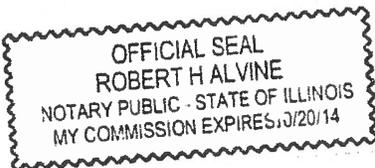
On this 13<sup>th</sup> day of May, 2014, before me, the undersigned, a Notary Public in and for the State of Illinois, personally appeared **Scott Raes and Tracy Koranda** to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the **CITY OF MOLINE**, executing the within and foregoing instrument to which this is attached; that said instrument was signed (and sealed) on behalf of (the seal affixed thereto is the seal of said corporation) as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.



Vickie L. Felger  
NOTARY PUBLIC

STATE OF Illinois )  
 )  
COUNTY OF Rock Island ) SS:

On this 17<sup>th</sup> day of April, 2014, before me, a Notary Public in and for said County and State aforesaid, personally appeared **Christopher R. Townsend and Aaron Klosterman** to me personally known, who being by me duly sworn (or affirmed) did say that they are the Managers of **KJMC Properties, L.L.C.**, and that said instrument was signed on behalf of the Corporation; **Christopher R. Townsend and Aaron Klosterman** acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation, by it and by him voluntarily executed.



Robert H. Alvine  
NOTARY PUBLIC

**EXHIBIT A**  
**LEGAL DESCRIPTIONS**

**Tract I:** [1524-1534 River Drive, Moline, Illinois] The North Ninety-Five (95) feet of Lot One (1) and the North Ninety-Five (95) feet of the East One Quarter (E 1/4) of Lot Two (2) in Block Number Eighteen (18) in the Old or Original Town of Moline, situated in the City of Moline, in the County of Rock Island and State of Illinois. Moline Township Tax Parcel: 5435.

**Tract II:** [1529 -3<sup>rd</sup> Avenue A, Moline, Illinois] The West Half (W 1/2) of the East Half (E 1/2) of Lot Number Two (2) in Block Number Eighteen (18) in that part of the City of Moline known as and called the Old or Original Town of Moline, excepting the North 87.1 feet of said premises; situated in the County of Rock Island and the State of Illinois.

Also

The South Fifty-Five (55) feet of Lot Number One (1) and the South Fifty-Five (55) feet of the East Quarter of Lot Number Two (2), all in Block Number Eighteen (18), in that part of the City of Moline, known as and called the Old or Original Town of Moline, situated in Rock Island County, Illinois. Moline Township Tax Parcel: 5436.

**Tract III:** [1522 River Drive, Moline, Illinois] The North 87.1 feet of the West Half (W 1/2) of the East Half (E 1/2) of Lot Number Two (2) in Block Number Eighteen (18) 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, State of Illinois. Moline Township Tax Parcel: 5437-1.

**EXHIBIT B**

**DEVELOPMENT TIMETABLE**

Close on 1522 River Drive property	4-15-2014
Begin Construction on 1522 River Drive, and 1524-1534 River Drive	Upon approval of Development Agreement by City Council
Start Lease Up of Phase I	11-1-2014
Begin Construction on 1529 3 <sup>rd</sup> Avenue A	Not later than 6 months after Phase I is fully leased
Start Lease Up of Phase II	6 months after commencement of Phase II construction

**EXHIBIT C**  
**TIF ELIGIBLE EXPENSES**

**Expenses 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 REBATE**

Skinner Block  
ESTIMATED INCREMENT WORKSHEET  
3/31/2014

Total Project Cost \$ 3,600,000 \$ 2,725,000 Improvements  
EAV Estimate at Completion \$ 2,550,862 Fair Market Value (85% of project cost+existing EAV)  
\$ 540,000 Rebate Amount (15% of Total Project Cost)

ID #	Address	Total Fair Market Value (FMV)	EAV (2013)	"base" EAV (1986)	New EAV	"Project Increment	2013 Tax Rate 9.0085	Development Increment
1	5435 1524-1534 River Dr	\$1,725,000	\$ 130,372	\$ 20,986	\$ 575,000	\$ 444,628	9.0085	\$ 40,054
2	5436 1529 3rd Avenue A	\$1,189,750	\$ 193,335	\$ 67,380	\$ 396,250	\$ 202,915	9.0085	\$ 18,280
3	5437-1 1522 River Dr	\$277,500	\$ 47,155	\$ 22,642	\$ 92,500	\$ 45,345	9.0085	\$ 4,085
		\$ 2,550,862	\$ 370,862	\$ 111,008	\$ 1,063,750	\$ 692,888		\$ 62,419

**REBATE ESTIMATE WITH REVISED SCHEDULE**

No. Of Yrs.	Assmt Yr	Payable Yr	Net Prop. Tax Incr.	Prop. Tax Rebate	% Dev'r. PTX Rebate
1	2014	2015	\$7,356.54	\$7,356.54	100%
2	2015	2016	\$44,139.22	\$44,139.22	100%
3	2016	2017	\$63,301.60	\$63,301.60	100%
4	2017	2018	\$64,567.63	\$64,567.63	100%
5	2018	2019	\$65,858.98	\$65,858.98	100%
6	2019	2020	\$67,176.16	\$67,176.16	100%
7	2020	2021	\$68,519.69	\$68,519.69	100%
8	2021	2022	\$69,890.08	\$69,890.08	100%
<b>Total</b>			<b>\$450,809.90</b>	<b>\$450,809.90</b>	

**2014 Rebate**

Assumption that there will be 2 months on the assessment for 2014

5435 1524-1534 River Dr	\$1,725,000	\$ 130,372	\$ 20,986	\$ 575,000	\$ 444,628	9.0085	\$ 6,675.72
5437-1 1522 River Dr	\$277,500	\$ 47,155	\$ 22,642	\$ 92,500	\$ 45,345	9.0085	\$ 630.82
							\$ 7,356.54

Exhibit E

# DOWNTOWN MOLINE PARKING

## ON-STREET PARKING

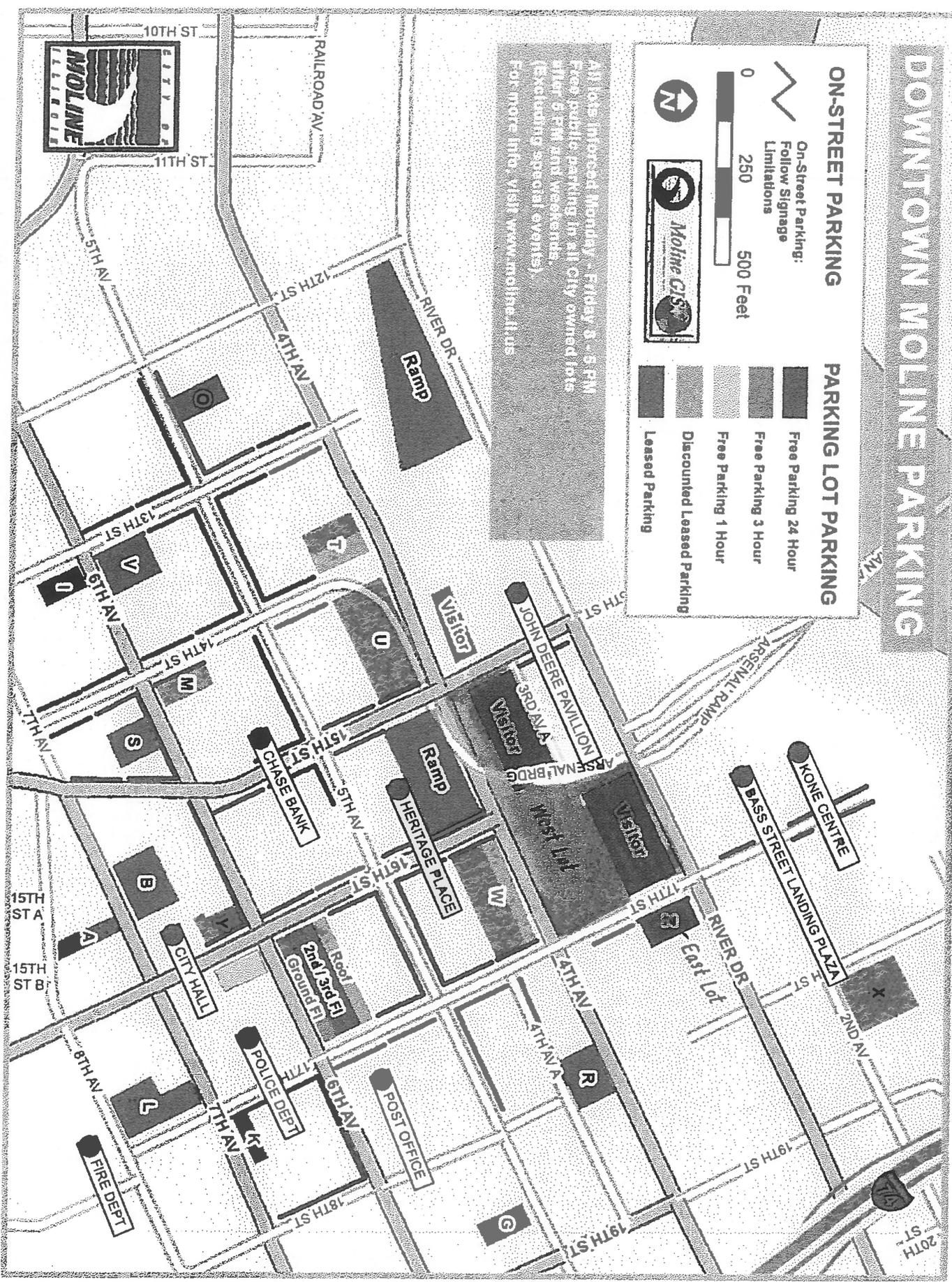
On-Street Parking:  
Follow Signage  
Limitations  
0 250 500 Feet



## PARKING LOT PARKING

- Free Parking 24 Hour
- Free Parking 3 Hour
- Free Parking 1 Hour
- Discounted Leased Parking
- Leased Parking

All lots enforced Monday - Friday 8 - 5 PM  
Free public parking in all city owned lots  
after 6 PM and weekends,  
(excluding special events).  
For more info, visit [www.moline.il.us](http://www.moline.il.us)



Council Bill/Resolution No. 1026-2014

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

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute an Agreement for Sale of Real Estate with James R. Miller for property located at 1221 5<sup>th</sup> Avenue, Moline, Illinois, also referred to as 1217-1219-1221 5<sup>th</sup> Avenue, Moline, Illinois.

WHEREAS, the City wishes to acquire the property located at 1221 5<sup>th</sup> Avenue, Moline, Illinois, which is also referred to as 1217-1219-1221 5<sup>th</sup> Avenue, Moline, Illinois; and

WHEREAS, James R. Miller is the owner of the property and has agreed to sell and convey said property to the City for \$115,000 pursuant to the terms and conditions set forth in the 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 an Agreement for Sale of Real Estate with James R. Miller for property located at 1221 5<sup>th</sup> Avenue, Moline, Illinois, also referred to as 1217-1219-1221 5<sup>th</sup> Avenue, Moline, Illinois (Parcel Number MO-5562), for \$115,000; provided, however, that said Agreement is in substantially similar form and content as that attached hereto as Exhibit "A," and has been approved as to form by the City Attorney.

BE IT FURTHER RESOLVED that the same officials are hereby authorized to execute all necessary documents referenced therein; and all appropriate City officers and staff are further authorized to do all things necessary to complete each of the City's responsibilities and enforce each of the City's expected benefits as referred to in such Agreement.

BE IT FURTHER RESOLVED that this resolution shall be in full force and effect upon its passage.

CITY OF MOLINE, ILLINOIS

Scott Raes

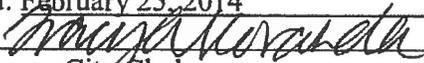
Mayor

February 18, 2014

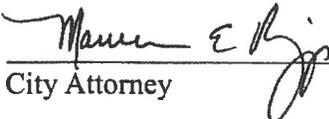
Date

Passed: February 18, 2014

Approved: February 25, 2014

Attest:   
City Clerk

Approved as to Form:

  
City Attorney

## AGREEMENT FOR SALE OF REAL ESTATE

AGREEMENT, by and between **THE CITY OF MOLINE**, an Illinois municipal corporation, (hereinafter "**Buyer**"), located in Moline, Illinois, and **JAMES R. MILLER**, a married man, (hereinafter "**Seller**"), located at 1221 5<sup>th</sup> Avenue, Moline, Illinois.

WITNESSETH:

WHEREAS, the Buyer has offered to buy and the Seller is willing to sell the real property more particularly described in **Schedule A** attached hereto and incorporated herein (hereinafter "**Property**"), and commonly known as 1221 5<sup>th</sup> Avenue, Moline, Illinois, which is also referred to as 1217-1219-1221 5<sup>th</sup> Avenue, Moline, Illinois;

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

### Sec. 1. PURCHASE PRICE

Subject to all terms, covenants and conditions of the Agreement, the Seller will sell the Property to the Buyer, and the Buyer will purchase the Property from the Seller and pay therefore the amount of **One Hundred Fifteen Thousand and No/100ths Dollars (\$115,000.00)** (hereinafter "**Purchase Price**") payable by check to Seller at time of closing.

### Sec. 2. CLOSING AND POSSESSION

Closing shall be on or before March 18, 2014, or on such other date as the parties hereto may mutually agree to in writing. Closing shall take place at the office of the closing agent mutually acceptable to Buyer and Seller, and Buyer shall accept the conveyance and pay the Purchase Price to the Seller at such time and place. Seller and Buyer shall enter into a Post-Closing Possession Agreement for the Property simultaneously with the closing. Said Post-Closing Possession Agreement shall set forth the Agreement between the parties as to possession.

### Sec. 3. CONVEYANCE OF PROPERTY

- (a) Form of Deed. The Seller shall convey title to the Property by standard Warranty Deed ("Deed") provided, however, that Seller hereby represents that Seller knows of no fault or defect, whether environmental or otherwise. Purchaser acknowledges that the building located on the Property, has numerous building code violations, including structural and support deficiencies, caused by the demolition of the adjoining building. The conveyance and title of the Property shall, in addition to other conditions, covenants and restrictions set forth or referred to elsewhere in the Agreement, be subject to:



1. Applicable statutes, orders, rules and regulations of the Federal Government and State of Illinois, and laws and ordinances of the City of Moline, including zoning, building, and land subdivision laws and regulations; and
  2. All easements of record; and
  3. Matters that would be revealed by an ALTA survey of the Property.
- (b) Proration of Taxes and Adjustments.
1. Seller shall pro-rate general real estate taxes to the date of closing, for the current tax year of 2014, at time of closing; and
  2. There are no leases for the subject Property requiring a credit for deposits or proration of rents.
- (c) Expenses of Transfer. Buyer shall pay: (1) Recording fees for deed and mortgages, if any; (2) Cost of Buyer's abstracting or mortgage title insurance policy as required. Seller shall, at his sole cost and expense and prior to closing, deliver to Buyer a title commitment for an Owner's title policy issued by a title company showing good and indefeasible title to the Property vested solely in Seller. On the closing date, Seller shall cause the title company to issue an Owner's Policy of Title Insurance covering the Property in the amount of the Purchase Price, showing fee simple title vested in Buyer. Each party shall be responsible for his or her own attorney fees and customary closing costs. Closing costs do not ordinarily include charges incident to the Buyer's financing, and such charges shall be paid by Buyer.
- (d) Settlement Procedures. To the extent the subject transaction is covered by its provisions, the parties agree to comply with the Real Estate Settlement Procedures Act of 1974 (RESPA).
- (e) Affidavit of Foreign Status. Seller will sign an affidavit that Sellers are not a "foreign person" under the Internal Revenue Act of 1862, as amended.
- (f) Special Assessments. Seller will be responsible for all special assessments levied as of the date the City Council of the City of Moline approves this sale. Buyer is responsible for all special assessments levied after that date.
- (g) Unrecorded Liens, Assessments, Security Interests. Seller represents that there will be no unrecorded liens, assessments, or Uniform Commercial Code Security Interests against any of the Property which will not be satisfied out of the sale price. If any representation above is untrue on the closing date, the Agreement may be terminated by Buyer.



**Sec. 4. PROPERTY CONDITION AND CERTAIN  
OTHER ACTION BY BUYER**

(a) Property Condition.

1. Buyer acknowledges that the Buyer has visually inspected the real estate and the improvements thereof; the Buyer is acquainted with the condition thereof and the Buyer shall accept the Property in "as is" condition, after conducting its Due Diligence as described below.
  2. A. Due Diligence. For a period of Fourteen (14) days after the date of acceptance of this Agreement by the Buyer ("Due Diligence Period"), unless such time is extended by agreement of the parties in writing, Buyer and its agents and representatives shall be entitled to inspect, test and examine the Property, which includes, but shall not be limited to, making investigation with regard to environmental requirements and environmental assessments such as Phase I environmental assessments and Phase II environmental assessments.  
B. Neither Buyer nor any of its agents or representatives shall damage the Property or any portion thereof, except for any immaterial damage caused by environmental and other tests, all of which shall promptly be repaired by Buyer at Buyer's sole cost and expense.  
C. Seller shall be permitted to remove any fixtures, equipment, and personal property, of his choice, prior to delivery of possession.
- (b) Utility Payments. Utility payments, including but not limited to, water, sewer, storm sewer, electricity, and gas bills, for service incurred up to the date of closing shall be the responsibility of the Seller. Responsibility for utility payments for services incurred after the closing shall be paid by Seller as stated in the Post-Closing Possession Agreement executed simultaneously with closing.

**Sec. 5. COVENANTS BINDING UPON SUCCESSORS IN INTEREST:  
PERIOD OF DURATION**

It is intended and agreed that any covenants provided in this Agreement shall be covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of and enforceable by, the Buyer, its successors and assigns, the Buyer, and any successor in interest to the Property, or any part thereof.

**Sec. 6. PROVISIONS NOT MERGED WITH DEED**



No provision of this Agreement is intended to or shall be merged by reason of any deed transferring title to the Property from the Seller to the Buyer or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

**Sec. 7. ENTIRE AGREEMENT**

This Agreement and its Exhibits contain the entire agreement among the parties, and supersedes all prior agreements or other understandings, oral or written, not expressly retained herein. It shall inure to the benefit of, and shall be binding upon the parties hereto and their respective successors or assigns. This Agreement may be modified only by a written amendment signed by all of the parties.

**Sec. 8. APPLICABLE LAW**

This Agreement shall be governed by the laws of the State of Illinois, and the sole and exclusive venue for any disputes arising out of this Agreement shall be any state court located within Rock Island County, Illinois, or federal court located within the appropriate venue. A waiver of any part of this Agreement shall be limited to that specific event and shall not be a waiver of the entire Agreement.

**Sec. 9. 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 all parties, their respective heirs and assigns, as to such remaining terms.

**Sec. 10. ASSIGNMENTS AND TRANSFERS PROHIBITED**

The parties covenant not to suffer or permit without the written permission or consent of the other being first had and obtained, a sale, assignment, or transfer of any right, title or interest of any sort in and to said Property, or any portion thereof, or any of the improvements, apparatus, fixtures or equipment that may be found in or on said Property prior to Closing.

**Sec. 11. 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.

**Sec. 12. LEGAL ASSISTANCE**

The Seller and Purchaser are aware that when fully signed, this is a legally binding agreement for the sale and purchase of real estate and that in order to protect their interests in connection with contractual, title and other aspects of this transaction, they have had the right and opportunity to consult legal counsel before this Agreement is signed.

**Sec. 13. ACCEPTANCE**

Until accepted by the Buyer, this document constitutes an irrevocable offer to sell on the terms stated above. Seller's offer to sell herein shall be irrevocable to and including February 18, 2014. If not so approved by the Buyer, through its City Council, by February 18, 2014, this offer and Agreement shall be void.

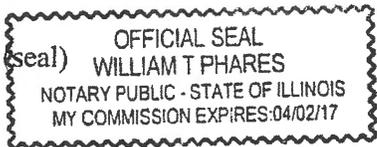
This Agreement has been read and executed in duplicate on the dates beside the parties' authorized agents' signatures.

IN WITNESS WHEREOF, **James R. Miller**, a married man, Seller, has caused this Agreement for Sale of Real Estate to be executed this 3rd day of February, 2014.

By: James R. Miller  
James R. Miller, Seller

STATE OF ILLINOIS                    )  
  )        ss:  
COUNTY OF ROCK ISLAND        )

On this 3rd day of February, 2014, before me, the undersigned, a Notary Public in and for the State of Illinois, personally appeared James R. Miller, executing the within and foregoing instrument to which this is attached; that he signed said instrument as Seller; and acknowledged the execution of said instrument to be his voluntary act and deed.



William T Phares  
NOTARY PUBLIC

*JRM*



SCHEDULE A  
Miller Sale to City of Moline  
Legal Description

The West 60 Feet of the South Half, and the West 50 Feet of the North Half of Lot 7 in Block 28 in the Old or Original Town, now City of Moline; Together with a right of way over the West 10 Feet of the East 30 Feet of the North Half of said Lot 7, situated in the County of Rock Island, in the State of Illinois.

**POST-CLOSING POSSESSION AGREEMENT  
FOR: 1221 5<sup>th</sup> Avenue, MOLINE, ILLINOIS**

**WHEREAS**, the undersigned, **JAMES R. MILLER**, a married man, (hereinafter "**Seller**"), and the **CITY OF MOLINE**, an Illinois municipal corporation, (hereinafter "**Buyer**"), are the parties to a certain Agreement for Sale of Real Estate, dated the 3rd day of February, 2014, pertaining to the above referenced property; and

**WHEREAS**, the Buyer has agreed to allow Seller to remain in possession of the real property more particularly described in **Schedule A** attached hereto and incorporated herein (hereinafter "**Property**"), and commonly known as 1221 5<sup>th</sup> Avenue, Moline, Illinois, after the closing; and

**WHEREAS**, the parties have reached agreement on terms for Seller to remain in possession post-closing and set forth those terms in this Agreement.

**NOW, THEREFORE**, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

1. Seller will be permitted to retain possession of the subject premises from the date of closing until April 30, 2014. By 5:00 p.m. on April 30, 2014, Seller's operation shall cease and all associated equipment shall be vacated from the Property.
2. Prior to acceptance of possession, Buyer will be afforded a second "walk through" for determining compliance with this Agreement.
3. Seller will maintain the Property in good repair and will not purposefully damage or destroy the Property in any way. If Seller wishes to replace any damaged or inoperable equipment, appliances, fixtures, systems, or other personal property, he shall bear all costs. Seller shall retain possession of all equipment, appliances, fixtures, systems during the time that Sellers retain possession.
4. Possession of the Property must be delivered to Buyer by 5:00 p.m. on April 30, 2014 and, at such time, Seller shall have removed all personalty from the Property, vacated the Property, and delivered any remaining keys to Buyer. The parties agree that the Seller may, in his discretion, also remove any and all fixtures from the Property before they deliver possession to the Buyer, including but not limited to, the furnace and air conditioning unit.
5. Seller agrees to occupy the Property at Seller's sole risk and expense. Seller will indemnify, defend, and hold harmless Buyer from all costs, suit, or expense, including injuries or damages, arising out of Sellers' occupation of the Property pursuant to this Agreement. Buyer will have no responsibility or liability whatever for any theft, loss, or damage to Seller's personal property during the term of this Agreement, and Seller will make no claim of any nature against the Buyer for injuries, damages, or loss to Seller's person, property, or to third persons incurred as a result of Seller's occupation of the Property under this Agreement.

6. Seller, at his expense, is obligated to maintain a policy of insurance insuring his own personal property, in addition to a policy insuring the real property and naming Buyer as an additional insured to protect the Buyer from all damages to person or property on the premises resulting from accidents on the premises. Said policy shall contain language satisfactory to the Buyer pursuant to Chapter 6, Section 2104, of the Moline Code of Ordinances and shall include commercial general liability. Said policy shall remain in effect during the time that Seller remains in possession. Seller shall maintain any required workers' compensation insurance at his sole expense. Said policy or certificate shall be given to Buyer simultaneously with the execution of this Agreement.
7. The parties agree that Seller is not affiliated with the Buyer in any way and nothing in this Post-Closing Agreement may be construed to demonstrate any type of joint venture or cooperative relationship hereunder. Seller shall have exclusive responsibility for its use of the premises. Seller shall serve as the owner and operator of his business. Seller shall be responsible for all staffing, taxes, insurance and appropriate licensing associated with and necessary of the operation. Employees of Seller shall not be deemed employees of the Buyer for any purpose whatsoever. Seller shall be exclusively responsible for payment of all wages, salaries, taxes withholding payment, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension or other deferred compensation plans including, but not limited to, workers' compensation and Social Security obligations, licensing fees, etc., and the filing of all necessary documents, forms and returns pertinent to all of the foregoing. Seller shall not bring any cause of action alleging Buyer is the employer of any of Seller's employees, officers or agents and Seller shall indemnify, defend and hold harmless Buyer against all claims, losses, costs, or expenses associated with the employment of said employees by Seller.
8. The parties agree that they do not intend to create a relationship of landlord and tenant, but instead to grant to the Seller a license to use the Property for the time stated in this Agreement. If the Seller fails, for any reason, to deliver possession on the possession date, the license of Seller to occupy the Property will terminate on notice. Seller waives all notices required by law, and waives any defenses and consents to an immediate judgment for possession. Buyer may take any legal action necessary to obtain possession of the Property, including but not limited to, specific performance. Seller agrees to reimburse Buyer for all reasonable attorneys' fees and expenses Buyer may incur in enforcement of its rights under this Agreement.

Seller, as licensor, shall pay to Buyer, as licensee, a licensing fee of One Thousand and 00/100 Dollars (\$1,000.00). This amount shall be payable upon execution of this Agreement.
9. Seller is responsible for all utility payments during the time that he continues to occupy the Property under this Agreement.
10. For a period of four (4) months after the date of acceptance of the Agreement For Sale of Real Estate by the Buyer ("Due Diligence Period"), unless such time is extended by agreement of the parties in writing, Buyer and its agents and representatives shall be enti-

tled to inspect, test and examine the Property, which includes, but shall not be limited to, making investigation with regard to environmental requirements and environmental assessments such as Phase I environmental assessments and Phase II environmental assessments. Buyer agrees that it will make no claim against Seller with respect to any environmental liability with respect to any contamination found on the Property.

Neither Buyer nor any of its agents or representatives shall damage the Property or any portion thereof, except for any immaterial damage caused by environmental and other tests, all of which shall promptly be repaired by Buyer at Buyer's sole cost and expense.

11. If possession is not tendered to Buyer by 5:00 p.m. on April 30, 2014, Seller shall pay Buyer \$50.00 a day for each day that possession is withheld from Buyer after the specified date and time, not as rent, but as liquidated damages.
12. The terms and provisions of this Post-Closing Possession Agreement survive the closing.

IN WITNESS WHEREOF, **James R. Miller**, a married man, Seller, has caused this Post-Closing Possession Agreement to be executed this 28<sup>th</sup> day of February, ~~2013~~. 2014

By: James R. Miller  
James R. Miller, Seller

STATE OF ILLINOIS )

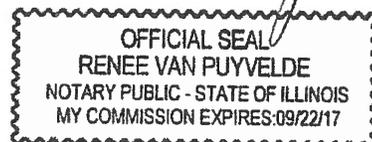
) ss:

COUNTY OF ROCK ISLAND )

On this 28<sup>th</sup> day of February, 2014, before me, the undersigned, a Notary Public in and for the State of Illinois, personally appeared James R. Miller, executing the within and foregoing instrument to which this is attached; that he signed said instrument as Seller; and acknowledged the execution of said instrument to be his voluntary act and deed.

(seal)

Renee Van Puyvelde  
NOTARY PUBLIC





Fax: (309) 524-2020

SCHEDULE A

Legal Description

The West 60 Feet of the South Half, and the West 50 Feet of the North Half of Lot 7 in Block 28 in the Old or Original Town, now City of Moline; Together with a right of way over the West 10 Feet of the East 30 Feet of the North Half of said Lot 7, situated in the County of Rock Island, in the State of Illinois.

TIF 1-12

JOINT REVIEW BOARD

The Joint Review Board met on July 21, 2015 to discuss the 2014 Annual TIF Reports. Minutes from the meeting to follow.

**Joint Review Board**  
**July 21, 2015**  
**10:00 am**  
**Moline City Hall**  
**Committee-of-the-Whole Room**  
**619 – 16<sup>th</sup> Street**

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**MINUTES**

**Joint Review Board (JRB) Representatives Present:**

Scott Raes, Mayor  
Lew Steinbrecher, City of Moline  
David McDermott, Moline School District  
Kim Lazenby, South Moline Township  
Dan Hance, Citizen Representative  
Richard Brunk, Rock Island County Board

**Interested Parties Registry Members Present:**

Sandy O'Neil

**Additional Persons Present:**

Dan Weber  
Dawn Neuses

**City of Moline Council Members Present:**

Stephanie Acri, Alderman-at-Large  
David Parker, Jr., 2<sup>nd</sup> Ward

**City of Moline Staff Present:**

Maureen Riggs, City Attorney  
Kathy Carr, Finance Director  
Ray Forsythe, Planning & Development Director  
Annaka Whiting, Compliance Analyst  
Anamaria Vera, Administrative Secretary

Mayor Scott Raes called the meeting to order at 10:00 a.m. Those present provided an introduction and Annaka Whiting, Planning & Development Compliance Analyst, following by providing a summary of the 2014 Annual TIF Reports.

Annaka Whiting indicated that she completed the reports and they were reviewed by Maureen Riggs, City Attorney. A spreadsheet and booklet summarizing each TIF was provided to those present. Ms. Whiting 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, ending balance and a combined beginning balance, fund deposits, expenditures, and ending balance. Mr. Whiting also discussed specific information related to each TIF including bond proceeds, large

expenditures and changes in EAVs due to decrease in property values. Kathy Carr also noted that the citywide decrease in EAV's is expected to begin to increase in 2017, pursuant to a conversation with the Rock Island County Assessor's office.

Ray Forsythe noted that the booklets provided to all persons present contained summaries of each TIF district in addition to information relating to the 2014 Sales Tax Reports.

Richard Brunk inquired about the amount of the bond obligation in TIF #7. Ms. Whiting noted that the bond obligation with interest is \$11,060,902.00. Ms. Carr also noted that the 3 million dollar balance in TIF #7 has been allocated for future expenses.

David McDermott asked for an update on TIF #4 and the financial situation of Autumn Trails. Mr. Forsythe indicated the City is working with the bank to try to acquire the property, but have been unable to do so because the bank cannot locate one of the owners. Lew Steinbrecher stated that there are five vacant lots still within Autumn Trails and it is the City's desire to develop additional condos on those lots, however, the City would need to wait until the foreclosure is finalized before being able to proceed.

Mr. McDermott then asked whether there was any indication from Genesis about additional development within TIF #10, stating he was under the impression that the TIF had been created due to additional developments. Mr. Forsythe stated that Genesis anticipates developing an additional building once their current building is fully occupied. Mr. Forsythe noted that the current Genesis building is about 90% occupied.

Mr. McDermott inquired what the overall major expenditures are for all of the TIF districts. Mr. Forsythe stated that bonds and rebates accounted for most expenditures.

Kim Lazenby asked whether there were any additional tenants in the KONE building. Mr. Forsythe stated that they are currently the only tenant but do have commercial and restaurant space available, however, Financial District Properties has been unsuccessful in attracting businesses to their location. Mr. Steinbrecher noted that there is one condo occupied with a permit issued for development of a second condo within the building. Mr. Forsythe further noted there are also future plans to do a floor expansion within the KONE building.

Mr. McDermott asked for an update on The Mills at RiverBend Commons. Mr. Forsythe noted that The Mills is fully occupied with students and interns of Deere, KONE, and Alcoa and Phase II is expected to begin soon for additional market rate apartments.

Mr. Forsythe concluded by highlighting the following:

#### TIF #1

- A Jimmy Johns Development Agreement will be presented to Council this week
- Developers are beginning to look at second floor of downtown buildings to turn into apartments
- Skinner Block Lofts has 8 out of 12 units occupied and will begin Phase II once the units are fully occupied
- Bad Boyz will expand as a part of Skinner Block Lofts' second phase, which will then be a taco and tequila bar

- The Chase building has been purchased and is considering either extended stay apartments or traditional apartments throughout the building

TIF #7

- A virtual spec building concept is being explored to hopefully get EAV generated within the QC Industrial Park area

TIF #8

- The removal of 250,000 sq.ft. has decreased the Southpark Mall EAV
- The EAV is expected to gradually increase with additional businesses moving to the area
- Southpark Mall anticipates John Deere Road access in 2016

TIF #11

- The City is advancing money to assist with the continued progress of the Multi-Modal Station with the anticipation of repayment once the State of Illinois passes a budget.
- The Westin Element hotel is expected to begin construction upon completion of the Historic Review

TIF #12

- Phase II of The Mills is set to begin for 150 additional market rate apartments

Mayor Raes Adjourned the Meeting at 10:27 am.

ATTACHMENT K

TIF 1

AUDITED FINANCIAL STATEMENTS

**CITY OF MOLINE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2014

	General	Tax Increment Financing #1	Capital Projects	Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 261,642	\$ -	\$ -	\$ 1,642,244
Restricted cash and cash equivalents	-	-	-	4,640,858
Investments	8,348,498	-	1,376,835	1,875,041
Receivables (net)				
Property taxes	9,682,609	2,894,937	-	7,599,674
Accounts	1,373,558	-	-	191,720
Accrued interest	-	-	4,767	8,345
Loans	-	27,220	-	4,075,279
Other taxes	5,656,460	-	1,642,967	174,793
Due from other governments	275,377	-	-	678,418
Due from other funds	1,953	1,124	-	717,064
Inventories	8,397	-	-	-
Prepaid items	-	-	-	1,000
Interfund advances	7,110,293	-	181,595	-
<b>TOTAL ASSETS</b>	<b><u>\$ 32,718,787</u></b>	<b><u>\$ 2,923,281</u></b>	<b><u>\$ 3,206,164</u></b>	<b><u>\$ 21,604,436</u></b>

See accompanying notes to financial statements.

**CITY OF MOLINE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2014

	<u>General</u>	<u>Tax Increment Financing #1</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 451,362	\$ 40,464	\$ 184,816	\$ 1,443,004
Accrued expenses	957,264	5,613	-	175,041
Due to other governments	-	50,000	-	-
Due to other funds	86	2,485,887	-	2,239,514
Deposits	74,609	-	11,160	83,295
Line of credit	-	-	-	4,013,601
Interfund advances	-	-	-	7,291,888
Total Liabilities	<u>1,483,321</u>	<u>2,581,964</u>	<u>195,976</u>	<u>15,246,343</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for future periods	9,401,125	2,720,475	-	6,879,625
Unavailable revenues for other taxes	1,970,106	-	539,663	-
Unavailable revenues for grants	-	-	-	450,068
Total Deferred Inflows of Resources	<u>11,371,231</u>	<u>2,720,475</u>	<u>539,663</u>	<u>7,329,693</u>
<b>Fund Balances (Deficit)</b>				
Nonspendable	7,118,690	-	181,595	1,000
Restricted	75,574	-	-	7,489,953
Committed	-	-	2,288,930	-
Assigned	-	-	-	191,668
Unassigned	12,669,971	(2,379,158)	-	(8,654,221)
Total Fund Balances (Deficit)	<u>19,864,235</u>	<u>(2,379,158)</u>	<u>2,470,525</u>	<u>(971,600)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 32,718,787</u>	<u>\$ 2,923,281</u>	<u>\$ 3,206,164</u>	<u>\$ 21,604,436</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, 2014

	General	Tax Increment Financing #1	Capital Projects	Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 36,746,585	\$ 2,640,876	\$ 7,449,618	\$ 6,769,040
Licenses and permits	944,646	-	-	-
Intergovernmental	715,395	-	50,000	2,857,922
Charges for services	2,597,296	-	21,682	2,676,600
Fines, forfeitures and penalties	354,289	-	-	49,639
Use of money and property	106,310	70,821	781	293,510
Contributions	-	-	-	353,061
Miscellaneous	320,378	20,000	158	177,924
Total Revenues	<u>41,784,899</u>	<u>2,731,697</u>	<u>7,522,239</u>	<u>13,177,696</u>
<b>EXPENDITURES</b>				
Current				
General government	2,536,948	-	477,337	641,666
Public safety	27,270,357	-	-	-
Public works	7,759,063	-	169,844	2,378,062
Economic development	1,769,854	418,762	1,380,004	4,376,725
Culture and recreation	-	-	-	3,721,123
Libraries	-	-	-	3,211,623
Capital Outlay	176,007	109,578	1,973,286	4,430,086
Debt Service				
Principal	478,526	2,120,000	-	2,321,360
Interest and fiscal charges	-	455,822	3,260	1,847,871
Total Expenditures	<u>39,990,755</u>	<u>3,104,162</u>	<u>4,003,731</u>	<u>22,928,516</u>
Excess (deficiency) of revenues over expenditures	<u>1,794,144</u>	<u>(372,465)</u>	<u>3,518,508</u>	<u>(9,750,820)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from installment debt issued	-	-	-	1,600,000
Proceeds from sale of capital assets	11,947	-	-	1,863
Transfers out	(1,050,112)	-	(3,060,948)	(5,195,249)
Transfers in	-	4,376,463	-	4,929,846
Total Other Financing Sources (Uses)	<u>(1,038,165)</u>	<u>4,376,463</u>	<u>(3,060,948)</u>	<u>1,336,460</u>
<b>Net Change in Fund Balances</b>	755,979	4,003,998	457,560	(8,414,360)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>19,108,256</u>	<u>(6,383,156)</u>	<u>2,012,965</u>	<u>7,442,760</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 19,864,235</u>	<u>\$ (2,379,158)</u>	<u>\$ 2,470,525</u>	<u>\$ (971,600)</u>

See accompanying notes to financial statements.

ATTACHMENT L

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CERTIFIED AUDIT REPORT



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## INDEPENDENT AUDITORS' COMPLIANCE REPORT

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, 2014, and have issued our report thereon dated June 23, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing", insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

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

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
June 23, 2015