

Memorandum

Community and Economic Development Department

To: Randall Tweet, City Manager

Subject: LRC Developers, QCIC New Construction Development Agreement

Date: February 8, 2021



Scott Christiansen of LRC Developers, Inc. has approached Economic Development staff with a proposal for a development agreement relating to new construction at the Quad City Industrial Center property.

In the agreement, TIF eligible expenses would be reimbursed at 80% of the increment generated from a new construction project, up to 30% of the project cost. The reimbursement would be paid in annual installments through the end of the TIF in 2030, or until 30% of total project costs are reached. The final reimbursement offer would depend on agreeable job retention, job creation, and investment numbers.

This reimbursement structure would be available to any project that meets standards of job retention, job creation, and investment in the Columbia Park TIF District.

Recommendation:

The Community and Economic Development Department recommends that City Council pass the attached resolution and authorize City Staff to draft a development agreement.

Submitted by: Tarah Sipes, Economic Development Manager

Approved by: Randall Tweet, City Manager

RESOLUTION NO. _____

**A RESOLUTION PROPOSING ALLOCATION OF TAX INCREMENT
FINANCING WITHIN THE COLUMBIA PARK REDEVELOPMENT
PROJECT AREA, OF THE CITY OF ROCK ISLAND**

WHEREAS, on August 14, 2007, pursuant to the Tax Increment Allocation Redevelopment Act, as supplemented and amended (the “Act”), the City of Rock Island, Rock Island County, Illinois (the “City”), by ordinance has heretofore approved a redevelopment plan and project (the “Original Redevelopment Plan and Project”) for and has designated a redevelopment project area known as the Columbia Park Redevelopment Project Area of the City (the “Original Redevelopment Project Area”) and has adopted tax increment allocation financing for the Original Redevelopment Project Area; and

WHEREAS, the Mayor and City Council of the City (the “Corporate authorities”) have determined that it is in the best interests of the City to incentivize projects in the “Current Redevelopment Project Area”.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Rock Island, Rock Island County, Illinois, as follows:

Section 1. That the foregoing recital clauses to this Resolution are adopted as findings of the Corporate Authorities of the City and are incorporated herein by specific reference.

Section 2. The allocation of Tax Increment Financing funds to incentivize projects in the “Current Redevelopment Project Area” is hereby proposed.

Section 10. This Resolution shall be in full force and effect upon its passage and approval in accordance with law.

Section 11. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Michael Thoms, Mayor

ATTEST:

City Clerk

PASSED: This 8th day of February, 2021.

APPROVED: This __th day of February, 2021.

EXHIBIT “A”

Should LRC Developers, Inc. secure a new construction project within the Columbia Park Redevelopment Project Area of the City of Rock Island the City agrees to offer a reimbursement of TIF eligible expenses to come from increment generated from the new construction project. This reimbursement would be offered to any new development project that helps to retain jobs or create jobs within the City of Rock Island and which stimulates private investment in the Columbia Park TIF.

Eligible expenses will be reimbursed at 80% of the increment generated by the new construction project, up to 30% of the total project cost. Reimbursement will be issued on an annual basis through 2030, when the TIF ends, or until the 30% of total project cost is reached. A final reimbursement offer would depend the job retention and/or creation and project investment, but the City of Rock Island will not reasonably withhold support for such a reimbursement.