



PROJECT MANAGEMENT TEAM

Minutes

Tuesday, June 26, 2018

1:30 p.m.

City of Moline

619 Sixteenth Street, 2nd Floor

Moline, IL

Members Present: David Parker, Alderman (Chairman)
Stephanie Acri, Mayor (Vice-Chairman)
Mike Wendt, Alderman
Steve Nelson, Private Sector
Lori Turner, Alderman
Greg Derrick, Private Sector
Kevin Schoonmaker, Alderman (arrived at 1:58 p.m.)

**Members via
Teleconference:** Gerald Butts, Private Sector

Members Absent: Mike Ellis, Private Sector

Staff: Douglas Maxeiner, City of Moline, City Administrator
Ray Forsythe, City of Moline, Planning & Development Director
Maureen Riggs, City of Moline, City Attorney
Alexandra Elias, Renew Moline, CEO/President
Suzanne Chevalier, Renew Moline, Office Operations Director
Dan McConaghy, Renew Moline, Consultant

Other: Mike Waldron, Alderman
Sonia Berg, Alderman at Large
Bryce Henderson, via teleconference
Shawn Larson, Big Dog Construction Company
Jim Thomson, Owner of Illinois Domus LLC,
Sarah Ritter, Quad City Times

- **Call to Order** - The meeting was called to order by Chairman David Parker, at 1:34 p.m.
- **Approval of PMT Minutes**: A motion was made by Steve Nelson to approve the PMT Minutes for the May 12, 2018, meeting. The motion was seconded by Greg Derrick, and motion carried.



➤ **Action Items – Projects**

- The Q & Element Hotel – Proposed Amendment to Development Agreement
 - Alexandra stated that staff has been working on the amendment to the development agreement that was proposed at a recent DBMT for this project; however, there was still some additional information regarding financial commitments and expenses that the City's council is asking for. At this time Alexandra stated that she is recommending that this amendment be tabled at this meeting, until the next PMT meeting which is scheduled for Tuesday, July 17, 2018. Bryce said for clarification this amendment is being tabled again because of the need for some financial information and is it something that we need to provide? Ray stated that the cost that the council is asking for has to do with the city's expenses and nothing additional from the developer is needed at this time. Ray said that staff is preparing a comprehensive look at City's expenses and the timeline.
- 6th Avenue Townhouses – Proposed Development Agreement
 - Ray said a Term Sheet was proposed and approved by the DBMT for recommendation to the PMT for approval for the Development Agreement. The Developer for this project is Illinois Domus, LLC, and the property is to be developed in Phase I includes parcels of real property located within the Moline Centre Redevelopment Project Area (TIF #13) described as tax parcel numbers 08-5771 (1230 6th Avenue), 08-5762-A (1300 6th Avenue/Parking Lot I), 08-5761 (1308 6th Avenue), 08-5762 (1312 6th Avenue), 08-5760 (1318 6th Avenue), 08-5757 (1326 6th Avenue).
 - Project Plan: Developer proposes to redevelop portions of the property to consist of the following elements:
 - ✓ Enter into a purchase agreement with the City of Moline for 1300 6th Avenue/Parking Lot I
 - ✓ Demolition of existing parking lot structures located on the property
 - ✓ Installation of certain public improvements including but not limited to sidewalks, lighting and landscaping consistent with the adopted Streetscape Plan
 - ✓ Construction of 22 townhomes
 - Total Project Cost:
 - ✓ \$5,545,021
 - ✓ The total project cost includes \$27,786.75 of streetscape improvements
 - Incentive Request: The Developer is seeking a property tax rebate from the Tax Increment Allocation Fund #13 equal to 15% of the Total Project Cost. In addition, the reimbursement of 100% of the Streetscape improvements.
 - TIF Rebate: $\$5,545,021 - \$27,786.75 = \$5,517,234.30 \times 15\% = \$827,585.14$ – Streetscape Improvements: \$27,786.75
 - Mayor Aciri asked who will be maintaining the public improvements for the trees and lighting and Ray responded that that will be maintain by the SSA in that area.



Alderman Wendt asked who is responsible if the trees that are planted die and do we need to put trees there at all? Ray said that the City is required to put trees there because of the right-away issue; however, we can add that the clause that the trees must remain alive and healthy. Jim Thomson stated he doesn't have a problem taking care of trees; however, he does have concerns regarding the minimum assessment for payback that could be a problem if something drastically changes in the economy and we are faced with tougher economic times. Alderman Wendt said that he understands his concerns and Ray and Maureen agreed to make sure that the assessment for payback has a clause for re-evaluation during difficult economic times.

- Alderman Wendt asked if there was any language in the Development Agreement for a clawback provision and Maureen Riggs replied that under Section 5 – Warranties of the Developer, it is included there.
- Alderman Wendt asked if there any specific language in the Development Agreement that the builder must follow the condominium law and codes. Ray said there isn't specific language but we can include that; however, they are building to code for condominiums.
- Ray said that we can also include additional language to cover concerns over the TIF repayment.
- Shawn Larson requested that the certificate of occupancy be changed to 16-18 months from the start of the project, and it was agreed.
- Steve Nelson made a motion that the PMT make a recommendation to City Council for approval of the Development Agreement for 6th Avenue Townhouses and the motion was seconded by Alderman Lori Turner. The motion carried with an abstained vote from Alderman Kevin Schoonmaker.
- Maureen Riggs stated that this will be presented at the COW meeting tonight for approval. Following that there will be three readings before Council before approval. Jim Thompson asked if the Council would consider expediting this process so that construction wouldn't be delayed any further and Mayor Arci stated that a motion can be made at Council tonight to consider expediting of the agreements.

➤ **Economic Development Policy – Recommend Approval**

- Ray presented the City's Economic Development Policy and stated that policy allows the City to streamline the development/incentive process within the City of Moline. The maximum incentive for a specific project may not exceed a total combined incentive (e.g., property tax rebate, TIF rebate, sales tax rebate, hotel-motel tax rebate, etc.) rebate greater than 15% of the total project cost. Mayor Arci stated that she would prefer that we don't lead with at 15% rebate and Alderman Wendt said perhaps a better



language would be to change it to “0 – 15%”. Chairman Parker stated that he thinks this is a better idea since it allows the City a range to work with the developer.

- Alexandra recommended that under the Appraisal Report we should change the language from “shall” to “may” – *The City and the Developer shall choose a mutually agreeable appraiser and Developer shall bear the cost of the appraisal.* Maureen Riggs agreed that using “may” is preferred language, and the PMT members agreed.
- Mayor Arci asked how can we structure this so that we continue to negotiate at the best interest of the City. Ray said that this new standard that we are putting forth in the policy will allow for the City to do this. The performance-based development agreement will specify the consequences for failing to meet the agreed upon performance measures set jointly by the City and the developer. If these thresholds are not met by the developer, then the developer will be required to reimburse, with interest City funds.
- Alderman Wendt made a motion for recommendation for Council approval of the Economic Development Policy and the motion was seconded by Alderman Schoonmaker. Motion carried.
- Ray said he wanted to thank everyone who was engaged in this new policy and it truly was a cooperative group effort. That the new policy is a “living” document that will evolve over time. Chairman Parker requested that perhaps after a few projects have used this new policy we can get some feedback from the different entities to see what worked and what can be tweaked. Ray said that they will be following up on the usage and effectiveness of this new policy to the Council, Renew and the PMT.

➤ **Action items:**

- Ray will prepare a comprehensive look at City’s expenses and the timeline for The Element Hotel Project for additional information requested for the Development Agreement.

➤ **Next PMT:** The next PMT meeting will be Tuesday, July 17, 2018.

➤ **Adjourned:** Chairman Parker made a motion to adjourn the meeting. Seconded by Steve Nelson. Meeting adjourned at 2:40 p.m.

Respectfully submitted:

Suzanne Chevalier
Office Operations Director
Renew Moline