



PROJECT MANAGEMENT TEAM

Minutes

Wednesday, September 14, 2016

1:30 p.m. – 3:00 p.m.

Renew Moline

1506 River Drive

Moline, IL

Members Present:

Scott Raes, Mayor
Dave Parker, Alderman
Kevin Schoonmaker, Alderman
Lori Turner, Alderman
Steve Nelson, Private Sector
Stephanie Acri, Alderman-at-Large

Members Absent:

Dr. Joe Rives, Private Sector
Greg Derrick, Private Sector
Gerald Butts, Private Sector

Staff:

Janet Mathis, Renew Moline, CEO/President
Suzanne Chevalier, Renew Moline, Office Operations Director
Jeff Anderson, City of Moline, City Planner

Other:

Terri Smith, Moline Centre Main Street
Mike Wendt, Alderman

Press:

Jennifer DeWitt, Quad Cities Times

- **Call to Order** - The meeting was called to order by Mayor/PMT Vice Chairman Scott Raes, at 1:35 p.m.
- **Approval of Minutes** – David Parker made a motion to approve the minutes from July 13, 2016. Motion was seconded by Stephanie Acri. Motion carried.
- **Development Project Updates:**
 - The Q – Janet stated that two weeks ago there was a DBMT for this project with a tour of the building. This meeting was an open meeting and members of The Q DBMT, all the city's aldermen, press, and the City's Historic Preservation Commission were invited to the tour of the building and for the unveiling of the logo. Janet said that the logo had

been approved for a while; however, they were waiting for the right opportunity to proceed with the unveiling. The event was well covered by the press with all major local television stations, some local radio stations, as well as both local newspapers attending. David Parker stated that the press coverage for the event was excellent. He stated that the event was well attended, and he is excited to see this project proceeding. He continued to say that The Q will be a tremendous anchor to the west side of Moline. He was impressed with the concept of the extended stay hotel and that the rooms will include a small kitchenette, which is ideal for a lot of travelers, and he stated that the tour of the building was very informative. Janet showed a few of the conceptual drawings and talked about some of the challenges that they have had structurally, to include the large pillars, which will remain in the building. She said that MetroLINK did receive contractor concurrence from DOT on bid package #2 – Bush Construction, bid package #3 KONE will be installing two elevators in the building. Janet said they are still working on finishing loan documents for the private sector and it should be completed soon. Janet stated that she has full confidence that this will move forward.

- Janet said another discussion that is ongoing is what to do with the old depot's clock that was removed prior to the building demolition. The clock is massive in size, approximately 10 feet by 12 feet, and is extremely heavy because it is made out of concrete. Jeff Anderson stated that they are looking into several possible locations at the site to put the clock and further discussions will be had with the group to decide on what is the best possible solution for the new location of the clock. There is a lot to be consider because the clock cannot be attached to the building but perhaps it could be placed outside near the kiss & ride area. Janet said that they are hoping to have some meaningful discussion soon to discuss how to best use this architectural element. Mayor Raes asked if we had to use the clock at this location and Jeff stated that he isn't aware of anything that states we have to use the clock; however, there is a group that would like to see the clock featured at the new station.
- Janet said that the hotel is under a very aggressive schedule to open by May 2017.
- Riverbend Commons Phase IIA – Janet stated that recently there was some activity with the Council regarding this development and because of some issues and concerns with the parking deck, that this project is on hold for a while. She said that this project isn't dead but will be revisited and reorganized. The developer is currently waiting on some litigation to be finished before proceeding. Mayor Raes wanted to know who owns this land and Janet stated that the land is currently own by both the City and the developer. Janet said that at this time she has no additional information on when the Sriracha Thai Bistro will open.
- Chase Bank Building – Janet said that city staff recommended a development agreement and the Committee-of-the-whole unanimously approved, with Alderman Kevin Schoonmaker abstaining. The agreement is for the conversion of a large portion of the Chase Bank Building into 31 apartments. The developers for this project are the

Amin Group and Russell Construction. The \$8.33 million project would create apartments ranging in size between 500 and 800 square feet. In return, Moline would provide \$1.25 M in TIF-based financial incentives to the developers upon completion of the project. This development agreement must be presented to the aldermen in city council meeting for final action.

- Bridge Redevelopment Zone: No update.
- Spiegel Building: Janet informed the PMT that during last night's city council meeting, the aldermen gave approval for staff to work with Gorman & Company, Inc., on potential uses. This approval gives Gorman 180 days to study possible uses for the Spiegel Building and it could lead to a development agreement between the City and Gorman for the property if a feasible use is found that is agreeable to both parties. The vote was unanimous. Janet stated that Gorman has been in town several times to look at this project, and they have done several projects in Moline. The possible use for this building could be 35 worker's housing type units. Tying the use of the building to take advantage of the bike path as an important aspect of this project.
- West Gateway: Janet stated that Bob Ontiveros recently attended Renew's BoD meeting and briefed Renew's board about his plans for this area to include the creation of Mercado on the Fifth. Janet said it was nice to see Bob's vision come to fruition. The recent weekly events at the Mercado on the Fifth is adding to the vibrancy and energy in this area. Janet stated she attended the opening ceremony, and it was well attended. Kevin Schoonmaker said he attended last week's event and then went down to the last concert at Bass Street Landing. It was wonderful to see the people enjoying downtown Moline. Jeff Anderson said that there is a lot of positive energy and movement in this area, and it is a great blending of the different communities in Moline. He said that Global Communities is working on a way to get training resources to individuals who would like to sell their homemade products at these types of markets. Stephanie Acri asked why is it that there are so many different regulations between Illinois and Iowa, and even the different cities and counties in Illinois. She said she would like to find a way to start working on a process to get the regulations the same. Kevin said that La Flama even gave up trying to use their food trucks in Illinois because it was too difficult. Mike Wendt stated it is very frustrating that not only the states but the different cities have different regulations. He asked if there was a way to start spearheading a discussion to get some changes. Jeff stated a good beginning is to start a discussion with Bi-State to start implementing some type of standardization; however, they will need some directions from elected officials. Stephanie said it would be a good idea to start a discussion with Bi-State and perhaps adopt the standards and regulations used by the farmers market in Davenport.

➤ **Transportation Plan for Riverfront**

- Jeff stated that the plan has been completed and adopted by city council. The next phase is the implementation process by City's staff, Renew's staff and Moline Centre Main Street's staff. A big part of this plan will be a discussion on how to move forward in the Floreciente neighborhood and the development of the Spiegel building and surrounding properties.
- Jeff said that the City recently received a US DOT Peer Technical Assistance Grant that connects experts with different specialties with cities to help them continue to develop areas around multi-modal stations. Jeff said he has been working with Janet on this grant, and they have had several peer to peer discussions. They offer support, advice and assistance in different areas including assistance in low interest loans to help with the redevelopment around the multi-modal stations, finding developers for projects, and other key elements to the development of the area. Moline is the smallest city in the program, and it gives us a link to several top tiered cities. The assistance has been incredible. Janet stated this is the first year they gave out the grant, and they can assist us if we decide to apply again for other funding to include the TIGER Grant application. Jeff said that the peer consultants from other larger municipalities provide a valuable resource for problem solving and assistance with multi-modal station redevelopment. This is a very valuable resource.

➤ **Moline Centre Main Street Update**

- Terri Smith reported that this year the Moline Centre Main Street Summer Concert Series was their most successful concert season. Each concert had more than 500 attendees. Moline Centre added four more concerts this year taking the season through August and as well as adding an additional concert on Friday, September 2. They had a total of fourteen scheduled concerts; nine were sponsored by various area businesses.
- Lori Turner asked if the local restaurants saw any increase in business and revenues because of the concerts. Terri said that they all reported an increase in business prior to and after the concerts and the local restaurant owners are happy with the summer concerts series. She said the three businesses in Bass Street Landing: Bass Street Chop House, PUB 1848 and Steel Head Tavern, approached them about sponsoring and paying for the additional final concert on Friday, September 2. Lori said that she was impressed with the number of families she has seen downtown, especially at the summer concerts. Janet said that the interns said that this event was their favorite downtown event to attend during the summer. Lori said that the one issue that needs to be worked on is the sound system, and Terri said they are working on it.
- Mayor Raes asked if any of the restaurants complained about people bringing in outside beverages and food. Terri said there is an issue regarding people bringing in outside beverages which they are trying to work on for next year.

- Terri said that they have seen an increase of weddings scheduled at the plaza and are trying to bring more activities to the plaza next year. An event that was added to the historic courtyard is Sunset Salsa on Sundays. This event will start on Sunday, September 11 and will run through Sunday, October 2, from 5:00 – 9:00 p.m. This is a free event for the entire community and is sponsored by River House Bar & Grill.
- Terri said that they are working on some of their November events for downtown Moline:
 - Lighting on the Commons is scheduled for Saturday, November 12, 2016.
 - Small Business Saturday, is tentatively scheduled for November 26, 2016.
 - Get Jazzed is tentatively scheduled for November 11 – 12.
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- **Global Communities Floreciente Update** – No update
- **Other Issues** –
 - Janet said that the PMT needs to make two formal recommendations to City Council one for the Chase Building Apartments and one for the 5th Avenue Apartments.
 - 5th Avenue Apartments – Janet said that this building is owned by Rodney Blackwell and he would like to sell it to the city which will immediately sell it to HOA Hotels, LLC. Janet said that this project will be a high-end boutique hotel and banquet facility.
 - In exchange for the sale, Rodney Blackwell would receive a six-month extension on a \$7.5 million loan the city gave him for the purchase of the KONE building and property along the Mississippi riverfront as part of the KONE Centre project.
 - Mr. Blackwell also will own the residential portion of the KONE project and build out apartments. Under the original agreement, he had to sell or lease the residences there.
 - HOA would purchase both 5th Avenue buildings and be responsible for relocating the current tenants with first preference toward keeping them in Moline.
 - The city in return would provide \$4.6 million in incentives, the bulk of which would be generated by newly created TIF district, TIF 13. Those funds would be paid upon completion of the project and be based on the revenue generated by the development.
 - Other components of the agreement which are all essential to be completed simultaneously in order for the project to work include:
 - Revision to the existing KONE Centre Development Agreement lifting the restriction on ownership of the top floor residential units. The current Development Agreement requires the units to be sold to independent 3rd parties. The developer is interested in finishing the remaining 5 units into high end market rate apartments that could be rented or sold as condominiums. There are currently 2 finished units, one has been sold and the other is on the market.

- ✓ Extension on the loan from the City to Financial District Properties HQO LLC to June 30, 2017 from the current due date of December 31, 2016.
- ✓ Approving the Purchase Agreement for the 5th Avenue to the City for \$1.8 million which includes an assignment clause allowing the City to assign all rights under the agreement to the new purchaser.
- ✓ As part of the discussion, Moline Promenade – The Amin Group, was brought into the discussion to ensure the Agreement for the 5th Avenue Building didn't compromise the existing Development Agreement for The Q and the Element Hotel. The Q Development Agreement for the Element Hotel agreed that another hotel couldn't be built in Moline for 1 year after the opening of the Element Hotel. It was agreed that this new hotel would be a 4-star hotel, and they wouldn't open earlier than May 2018. The Moline Promenade was agreeable to these terms.
- ✓ The will upfront all the estimated \$18 million in costs to assemble the properties, relocate the tenants, and redevelop the buildings into the hotel/restaurant/bar and meeting room/conference space.
- Specific components of the agreement include:
 - Purchase of the 5th Avenue Building as well as the Sears Roebuck/Barnett Building. The City previously hired an independent appraisal of the building which valued the property at \$1,750,000. In addition, the current property owner has agreed to provide all architectural and other plans that have been completed on the building to the City and the subsequent buyer. The City also completed several structural and environmental studies of the building which have been and made available to the developer. The total purchase price is \$1,800,000.
 - Relocation of the existing tenants of the building with a preference on downtown Moline properties.
 - The project will be completed as previously mentioned into a full service hotel branded as a Marriott or Hyatt or the hotel Renovo, a brand owned and operated by Heart of America, at an estimated private investment of \$18,000,000.
 - A TIF rebate of 90% of the project increment which is estimated to be \$283,208.51 in year 1; combined with:
 - ✓ A Hotel-Motel Use Tax Rebate of 50% of the new revenue generated from this project after the QCCVB's portion is deducted. This is estimated to generate more than \$200,000 in new revenues the first year of operation; combine with:
 - ✓ A sales Tax Rebate from the City's Municipal 1% sales tax. The project is estimated to generate nearly \$300,000 in new sales the first year of operation.

- The project is located within the Illinois Quad Cities Enterprise Zone which will provide building materials' sales tax and building permit incentives. The City and Developer have estimated this benefit to be \$350,000.
- The City also has façade funds that could be used for the project. Staff is proposing to budget \$30,000 in façade funding in TIF #13 which could be applied for by the developer for façade improvements to both buildings within the project
- The Developer has agreed to lease up to 105 parking spaces from the City within the Midtown Parking Ramp. The cost of the leases is based on current lease rates and will increase every 5 years.
- The City agrees to install parking ramp improvements in the form of a security/gate system which will provide the ability of the guests of the hotel and employees adequate and secure parking within the designated areas of the parking lease. This is estimated to be approximately \$70,000 and will be funded with increment within the TIF#13 Redevelopment Fund.
- The Developer has requested \$4,600,000 in incentives. The EZ, façade, and parking lot improvements will be paid from existing programs in place or with the City's portion of the increment generated by the project. The balance of the incentive is estimated at \$4,150,000 which has been requested using a 6% Net Present Value. Because the developer is up fronting the entire cost of the project they are seeking the calculation to help in the recovery of the cost to borrow the funds to complete the incentive portion of the project. The estimated payback of the project using the proposed incentives is between 16 and 17 years. The total combined rebates would be approximately \$7,000,000. This figure could be lower if the project generated increased revenues or somewhat higher if the estimates are lower. Staff is comfortable with the projections provided by the Developer and the estimated calculation of the NPV. This is a very expensive project to complete and maintain and it will generate significant revenue to the City with new funds created by this project. In addition, surrounding property values and businesses will benefit from the guests of the hotel. It was negotiated as a Pay-As-You-Go incentive as that is the preference of the City Council as it pushes the risk of the upfront project completion to the Developer and the incentives can be funded with the increment created by the project once successful.
- Dave Parker made a motion for a formal recommendation from the PMT to the City Council. Steve Nelson seconded the motion, and the motion carried, with Kevin Schoonmaker abstaining.
- Chase Building Apartments – Janet said that the developer for this project is the Amin Group and Russell Construction.

- Their plan is to convert a large portion of the Chase Bank building into 31 apartments. The \$8.33 million project would create apartments on the second to the ninth floor.
- In return, Moline would provide \$1.25 million in TIF based financial incentives to the developers upon completion of the project.
- Dave Parker made a motion for the PMT to recommend to City Council the proposed Development Agreement that would be a 20% Federal historic tax credit with a 15% TIF rebate. The motion was seconded by Alderman Lori Turner, and the motion carried.
- Steve Nelson said that there continues to be parking issues with students at Ben Butterworth parking area. Mayor Raes said that they are aware that there are several issues and concerns with this parking area and they are trying to find a solution. The City may be using a private security firm to ticket students who are parking there; however, the problem is how will they know the difference between a patron using the Channel Cat or a person who is attending an event at WIU. Steve said that the Board of Trustees is looking into this issue and one thought was to automatically charge all students for a parking pass thereby forcing them to park in the designated parking area across the street.
- Steve Nelson said that enrollment of freshmen on both campuses is down .5%, which compared to a lot of other universities, which are experiencing a decline of 25% or more, is really good news. He said WIU is hopeful that the state will pass the budget or another stop gap budget so that the university could continue to receive at least some of the money they need to operate. He believes the issue regarding the budget is affecting enrollment and donations and causing a lot of people to reconsider their education options.
- Dave Parker said that there are two events that are coming up in Moline that everyone should consider attending.
 - Booked for the Night – at Moline’s Public Library on Thursday, September 15, 2016, 6:00 – 9:00 p.m. Tickets can be purchased online for \$40 and includes a champagne reception, a drink ticket, and heavy hors d’oeuvres. The library is celebrating their 10th Anniversary at its current location with an evening of food, entertainment and a silent auction to benefit the Library’s Technology Update and Upgrade Initiative. Several of Moline’s elected officials will be volunteering at this event.
 - Purses for the Park – Dave said this is a similar event to raise money for a great cause. Moline Park & Recreation Department is hosting Purses for the Parks, on Saturday, September 22, from 5:00 – 8:00 p.m. at City View Celebrations at Trimble Point. Dave said the cost is \$30, and it includes hors d’oeuvres provided by Taylor-DeBord Catering and a cash bar. There will be both silent and live auctions of high end purses. All proceeds for this event supports the Riverside Tennis and Pickleball

- Courts Project. The Riverside tennis courts have been available to the public and have benefited the community since the 1930's. The courts were last resurfaced in 2004. They've had high usage and demand over the past 12 years and presently are in great need of repair. The current estimate for resurfacing is \$88,000. The courts are a free venue to the public and an important park amenity for many throughout the community. For more information and to register for the event please call Moline Parks and Recreation Department at 309-524-2424 or stop by their office.
- Janet said that she has seen these types of events in different communities and they are very successful. Dave said this is a great opportunity to raise money for our community.
 - The Mississippi River Geotourism Map Guide Project – Jeff said that the Quad Cities on Mississippi River was one of twenty sites that were selected to be a part of this national project. It will showcase more than 1,300 sites and travel experiences nominated by locals. This is a resource designed to improve local, rural economic development. It will provide a long-term resource for promoting the communities, nature and culture along the Mississippi to the nation and to the world. Jeff said that Joe Taylor, Quad Cities Convention & Visitors Bureau, did a lot of work on this project along with local community leaders, regional and state tourism managers, federal partners, and Mississippi River businesses and residents. They will soon launch the Mississippi River Geotourism Map Guide website in partnership with National Geographic Maps. This landmark project has taken two and a half years to plan and execute and it is a historically significant digital asset for everyone who visits or lives in the 10 states along the Mississippi River. The kickoff for the presentation for the Geotourism Map Guide will be during the 9th Annual Upper Mississippi River Conference that will be held at the iWireless Centre on October 13 – 14, 2016. Colonel Bob Sinkler, US Army retired, who serves as the director of water infrastructure for the Illinois Nature Conservancy's North American Water Program will showcase the website at the kickoff for the conference.
- **Next PMT:** The next PMT meeting will be November 9, 2016.
- **Adjourned:** David Parker made a motion to adjourn the meeting. Seconded by Kevin Schoonmaker. Meeting adjourned at 2:56 p.m.

Respectfully submitted:

Suzanne Chevalier
Officer Operations Director
Renew Moline