



## PROJECT MANAGEMENT TEAM

### Minutes

Tuesday, June 12, 2018

1:30 p.m.

Renew Moline  
1506 River Drive  
Moline, IL

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**Members Present:** David Parker, Alderman (Chairman)  
Stephanie Acri, Mayor (Vice-Chairman)  
Mike Wendt, Alderman  
Steve Nelson, Private Sector

**Members via  
Teleconference:** Greg Derrick, Private Sector

**Members Absent:** Gerald Butts, Private Sector  
Lori Turner, Alderman none  
Kevin Schoonmaker, Alderman

**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  
Dan McConaghy, Renew Moline, Consultant  
Suzanne Chevalier, Renew Moline, Office Operations Director

**Other:** Adam Holland, Moline Main Street  
Annisa Wanat, Global Communities  
Pastor Shawn Cossin, Heritage Church  
Sonia Berg, Alderman at Large  
Jim Meenan, The Dispatch

- **Call to Order** - The meeting was called to order by Chairman David Parker, at 1:37 p.m.
- **Approval of PMT Minutes:** A motion was made by Steve Nelson to approve the PMT Minutes for the May 8, 2018, meetings. The motion was seconded by Alderman Mike Wendt, with the following changes under the Discussion bullet, sub bullet one *“Dr. Rives believes that his record speaks for itself and although last year with the demands for his*



travel he was unable to attend **some** meetings, he always stayed engaged.” Mike wanted “some” to be changed to “**all meetings in 2018**”, and motion carried.

➤ **Action Items**

- The Captain’s Table – Ray Forsythe stated that the City issued an RFQ (Request for Qualifications) and received four (4) responses and interviewed 2 of RFQs. Both ideas had merits and challenges. Doug Maxeiner we were looking at the design of the building and then an RFP can issue a RFP for the builders to bid. Ray stated that this was specifically a request for qualifications for this site. Ray stated once the design is approved then anyone can bid on the construction for this project. Ray said there is a lot of issues with this project that will be vetted out at the DBMT. Steve Nelson said he is concerned with the financial proforma of the current owner of the restaurant, and Ray stated they are considering the options and designs for the new site. At this time there isn’t a concurrence for a recommendation to council until additional information can be provided.
- The Q & Element Hotel – Ray said that the Amin Group would like to make an amendment to their Development Agreement for the QC Multi-Modal Station (MMS), that was first executed on November 12, 2013. Since that time there has been 3 Amendments to the Development agreement: June 17, 2014, March 3, 2015 and November 15, 2016. This fourth development agreement reflects the increased project cost for both the city and the developer.
  - Maureen Riggs reported that the revised estimated actual cost of the private project \$16,700,000 plus \$671,000 of cost owed by Developer to the City for shared improvements to the MMS, for a new estimated total cost of \$17,317,000. Therefore, the City agrees to increase the maximum TIF payment to 15% of the new estimated private cost for a maximum TIF Payment of \$2,605,650, which shall be rebated in accordance with the 2<sup>nd</sup> Amendment and Restatement of the Development Agreement. The timeline for rebate shall be amended to show that 50% of the increment from the Private Project Property will be paid out beginning the assessment year 2018 through assessment year 2036.
  - Ray stated that the developer will pay \$671,000 of cost owed to the City for shared improvements of the MMS within thirty (30) days of execution of this Amendment.
  - The Developer has indicated that it wishes to keep Unit 1 as the only private condominium unit. Developer will sub-lease Unit 1 into the hotel, restaurant and retail spaces instead of subdividing it into additional condominium units.
  - Ray reported that the City agrees to implement an additional Special Service Area solely for the Project Property and to impose a 2.1% Special Service Hotel-Motel Use Tax on the hotel, the revenues from the 2% to be rebated to the Developer and the revenues from the remaining .1% to be kept by the City. All revenues from this tax shall be collected by the City and the revenues generated shall be rebated to



the Developer for 20 years, commencing in 2018, regardless of the total amount of the rebates, and the remain revenues from the .2% shall be retained by the City.

- The lease cost for parking for developer shall be amended to “ramp up” the amount paid so that the developer will pay \$12,500 in 2018, \$30,000 in 2019, and \$45,000 in 2020. The regular lease payments of \$50 per space per month for 100 spaces for a total of \$60,000, shall commence in 2021 and shall increase by 2% per year through 2031. Parties can negotiate for the sale of the parking lot from the City to developer. Mike Wendt asked what is the lifespan of a parking lot and Ray said it is roughly 30 years. Ray said that the City paid for 100% of the parking lot per the original development agreement.
- Ray said that this is a performance based development agreement with revenue generated from the hotel.
- Maureen said that this wasn’t a simple project, with the multiple layers of agencies, and this agreement worked to get this project done.
- Ray stated that this projects financing was complicated and he could ask Jeff Nelson to attend the next PMT or DBMT to help explain in more details the cost analysis for this project. Mike Wendt said I am just concerned and I have to explain a lot of these additional cost to the City to the residents in Moline. We have to make sure in the future that the City does a better more through vetting of project cost. Ray said unfortunately some of these additional costs are truly unknow especially when dealing with an older building and the different requirements of the different agencies for this specific project.
- Mayor Acri said at this time I would like to propose that we get some additional information and take this back to the DBMT for their review and approval. Alexandra Elias stated that we will schedule a special DBMT for this project and a special PMT if there is a recommendation to move to forward to Council. Suzanne will send out a meeting notice for a Special PMT for Tuesday, June 26, 2018, at 1:30 p.m. and we will look at scheduling a DBMT prior to this date.

➤ **Development Project Updates:**

- Bridgepoint – Heritage Church
  - Alexandra said that the DBMT is reviewing plans for this project that is also connected to the new Lakota Plan for I-74 Bridge Realignment Zone. Discussions and meetings continue and progress is being made. Pastor Cossin stated that there was been great collaboration with the City and Renew for this project and he knows everyone is working together to find the best solution for everyone. Mike Wendt stated that the I-74 Bridge Realignment Zone Advisory Group is meeting every two weeks.
- Fifth Avenue Building
  - Ray stated that some of us were able to attend a tour of the site recently and it was very impressive. Ray also stated that they are working with Heart of America



(HOA) for an amendment to their development agreement. The law firm, Bozeman, Neighbour, Patton & Noe, LLP, is on scheduled to move into the former Barnett Fireplace/Sears Building in July. Ray stated that the current schedule is to have the hotel completed and opened in approximately 10 months.

- 6<sup>th</sup> Avenue Town Houses
  - Ray stated DBMT approved the Term Sheet for this project.
    - The property to be developed in Phase I includes property located within the Moline Centre Redevelopment Project Area – TIF 13.
    - The Developer proposed to redevelop portions of the property to consist of the following elements:
      - Enter into a purchase agreement with the City for 1300 6<sup>th</sup> Avenue/Parking Lot I
      - Demolition of existing parking lot structure located on the Property
      - Installation of certain public improvements including not limited to sidewalks, lighting and landscaping consistent with adopted Streetscape Plan
      - Construction of 22 townhouses
    - Total Project Cost: \$5,545,021. The total project cost include \$27,786.75
    - Incentive Request – the Developer is seeking a property tax rebate from Tax Increment Allocation Fund #13 equal to 15% of the Total Project Cost. In addition the reimbursement of 1100% 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
    - Ray stated that the DBMT approved the term sheet which allows staff to prepare the Development Agreement to the PMT for approval for recommendation to Council.
- Riverbend Commons Phase II
  - Ray said we are working with developer on some of the agreed upon public improvements for this project.
- The Collector Center
  - Ray stated that the developer, HOA, is aware that they have 90 days to bring sufficient schematics and financials to move forward with a Term Sheet so that the City can prepare a Development Agreement
- The Venue
  - Ray reported that the developer who was interested in this building withdrew their offer. We will continue to market this building; however, there are some structural challenges with this building.
- Spiegel Building
  - Ray stated that since one of the companies that submitted an RFP for this project couldn't make the first public meeting, they presented their idea to the DBMT. The DBMT has requested more schematics and financials before a decision can be reached. Doug stated that we are hoping that this building doesn't sit empty too



long or the City could accrue cost for repairs. Mayor Acri stated that the City doesn't want to continue to own this building so ideally, we can find someone that is ready to start construction soon.

- West Gateway
  - Ray stated the Community Health Center would like to purchase this building and they will be working through this issue with the DBMT.

➤ **Moline Main Street**

- Adam Holland stated that he has accepted another job offer and will be stepping down as Executive Director of Moline Main Street. Chairman Parker wished him well, and said that he hopes to continue seeing him at the summer concerts.
- Adam said events continue to be big downtown Moline. That the Cabin Fever Pub Crawl, despite the bad weather, had over 500 participants and 12 local pubs participated this year in the event. The 2018 Quad Cities Craft Beer Fest presented by Zimmerman which was held on Saturday, May 12, 2018, from 1:00 – 4:00 p.m., at Bass Street Landing had about 500 attendees as well
- The Summer Concert Series which started up again on Thursday, May 31, from 7:00 – 9:00 p.m., at Bass Street Landing with the opening band will be Smooth Groove, was well attended as well as all the subsequent concerts. Each concert draws in roughly 750 – 1,000 participants.

➤ **Global Communities Floreciente Update:**

- Annisa Wanat reported:
  - GC got an extension from JDF (through Oct 2019) and will continue with program but expand to include parents group at Lincoln Irving, Stephens Parkview neighborhood association, and multicultural business working group
  - Community kitchen at St. Johns should be ready by end of June.
  - Façade improvement money for Carmen's (signs and benches), El Mexicano (door, benches, flowers), and La Imperial laundry mat (TBD)
  - Rehab of old gas station at 5<sup>th</sup> Ave and 8<sup>th</sup> St – working with owner & rep from preservation committee on building with our façade program and owner and neighborhood association on mural
  - Seeding volunteers – July 10-13 – RR avenue plants, mural prep, general weeding in neighborhood, Habitat for Humanity porches



- **Other:** Chairman Parker has requested that Renew and the City look into bylaws for the PMT, term limits for members, term limits for chairman, and a better understanding on how DBMT are structured and creating. Alexandra said it would be a good idea to look into this and she will work with City Staff and members of the PMT on this.
- **Next PMT:** The next PMT meeting will be Tuesday, July 17, 2018.
- **Adjourned:** Chairman Parker made a motion to adjourn the meeting. Seconded by Alderman Wendt. Meeting adjourned at 3:39 p.m.

Respectfully submitted:

Suzanne Chevalier  
Office Operations Director  
Renew Moline