

Tax Increment Financing Redevelopment Plan & Project

.....
KONE CENTRE REDEVELOPMENT PROJECT AREA
.....

Prepared for
City of Moline, Illinois

Prepared by
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October 30, 2008

City of Moline, Illinois

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TABLE OF CONTENTS

	PAGE
SECTION I INTRODUCTION	1
SECTION II STATUTORY BASIS FOR TAX INCREMENT FINANCING AND SUMMARY OF FINDINGS	3
A. Introduction	3
B. Summary of Findings	4
SECTION III BASIS FOR ELIGIBILITY OF THE AREA AND FINDINGS	5
A. Introduction	5
B. Statutory Qualifications	5
C. Investigation and Analysis of Blighting Factors	10
D. Conclusion of Investigation of Blighting Factors for the Redevelopment Project Area	12
SECTION IV REDEVELOPMENT PLAN	13
A. Introduction	13
B. General Land Uses to Apply	13
C. Objectives	13
D. Program Policies to Accomplish Objectives	14
E. Redevelopment Project	14
F. Estimated Redevelopment Project Costs	15
G. Description of Redevelopment Project Costs	17
SECTION V OTHER FINDINGS AND REQUIREMENTS	21
A. Conformance with Comprehensive Plan	21
B. Area, on the Whole, not Subject to Growth and Development	21
C. Would Not be Developed “but for” TIF	21
D. Assessment of Financial Impact	22
E. Estimated Date for Completion of the Redevelopment Projects	22
F. Most Recent Equalized Assessed Valuation	22
G. Redevelopment Valuation	22
H. Source of Funds	23
I. Nature and Term of Obligations	23
J. Fair Employment Practices and Affirmative Action	24
K. Reviewing and Amending the TIF Plan	24

EXHIBITS

A – Redevelopment Project Area Boundary Map 2
B – Estimated Redevelopment Project Costs 16

APPENDIX

- Attachment A - Resolution 1116-2008
- Attachment B – Boundary Description
- Attachment C – Missman Stanley & Associates Letter Re: Summary of Bass Street Landing Environmental Remediation Site
- Attachment D – PIN List, Property Owners & 2007 EAV

SECTION I

INTRODUCTION

On September 2, 2008 the Moline City Council passed **Resolution 1116-2008** initiating a feasibility study to determine the eligibility of establishing a tax increment finance (“TIF”) district for a portion of the City and to induce development interest within such area (see **Attachment A** in the Appendix). The area being considered for designation as a TIF district includes City-owned properties north of the River Station redevelopment project, between 16th and 17th Streets. The area is referred to herein as KONE Centre Redevelopment Project Area (the “Area”). This document represents the Redevelopment Plan and Redevelopment Project (the “Plan”) for this proposed TIF district.

The proposed TIF district, legally defined as a “Redevelopment Project Area”, is comprised of approximately 5.1 acres inclusive of existing street and alley rights-of-way. The geographic location of this Area is illustrated on **Exhibit A, Redevelopment Project Area Boundary Map**, and a **boundary description** is located in the **Appendix as Attachment B**.

A significant portion of the properties within the Area are part of an Illinois Environmental Protection Agency (IEPA) Brownfield remediation site that has already been subject to remediation activities, but has yet to be complete. In addition to contaminated soils and water table, the site is filled with debris consisting of building materials, foundations and foundry slag material which is unsuitable for supporting building structures. The cost to date to remediate this site has been substantial and the lack of “No Further Remediation” (NFR) letter from the IEPA constitutes a material impediment to redevelopment.

The City is proposing the use of tax increment financing, as well as other economic development resources, as available, to facilitate private redevelopment of the Area. It is the intent of the City to induce the investment of significant private capital in the Area, which is expected to have a positive economic impact on the community as a whole. The proposed corporate office development is a key component of the City’s riverfront redevelopment program.

The aforementioned Act permits the use of tax increment financing to address the presence of blight or conditions that lead to blight. The Act sets forth the requirements and procedures for establishing a Redevelopment Project Area and a Redevelopment Plan. This report presents the findings of eligibility, the Redevelopment Plan and Project for the Area as well as other findings, evidence and documentation required by the Act.



REDEVELOPMENT PROJECT AREA BOUNDARY MAP

 Redevelopment Project Area Boundary

SECTION II

STATUTORY BASIS FOR TAX INCREMENT FINANCING AND SUMMARY OF FINDINGS

A. Introduction

Tax increment financing (TIF) is a local funding mechanism created by the "Tax Increment Allocation Redevelopment Act" (the "Act"). The Act is found at 65 ILCS 5/11-74.4-1 et. seq.

As used herein, the term **Redevelopment Project** means any public or private development project in furtherance of the objectives of a redevelopment plan. The term **Redevelopment Project Area** means an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, a blighted area, a conservation area, or a combination of both blighted areas and conservation areas. **Redevelopment plan** means the comprehensive program of the municipality for development or redevelopment intended by the payment of Redevelopment Project costs to reduce or eliminate those conditions the existence of which qualified the Redevelopment Project Area.

The concept behind the tax increment law is straightforward and allows a municipality to carry out redevelopment activities on a local basis. Redevelopment that occurs in a designated Redevelopment Project Area results in an increase in the equalized assessed valuation (EAV) of the property and, thus, generates increased real property tax revenues. This increase or "increment" can be used to finance "Redevelopment Project costs" such as land acquisition, site clearance, building rehabilitation, interest subsidy, construction of public infrastructure and other items as permitted by the Act.

The Illinois General Assembly made various findings in adopting the Tax Increment Allocation Redevelopment Act, among them were:

1. That there exist in many municipalities within the State blighted and conservation areas; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest and welfare.

These findings were made on the basis that the presence of blight, or conditions that lead to blight, is detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment plan. One of these requirements is that the municipality must demonstrate that a Redevelopment Project Area qualifies for TIF under the provisions of the Act. With the definitions set forth in the Act, a Redevelopment Project Area may qualify either as an industrial park conservation area, a blighted area, a conservation area or a combination of both a blighted area and a conservation area.

B. Summary of Findings

The following findings and evidentiary documentation is made with respect to the proposed Redevelopment Project Area:

1. The Area as a whole meets the statutory requirements as a **blighted area** as **this term is applied to vacant land**. Furthermore, the factors necessary to make this finding are present to a meaningful extent and are reasonably distributed throughout the Area.
2. The Redevelopment Project Area encompasses approximately 5.1 acres of land and, therefore, exceeds the statutory minimum size of 1-1/2 acres.
3. The Redevelopment Project Area contains contiguous parcels of real property.
4. If this Redevelopment Plan and Project is adopted and implemented by the City, it is reasonable to say that all properties included in the Redevelopment Project Area would substantially benefit from being included in the Area.
5. The Redevelopment Project Area, as a whole, has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to occur without public assistance.

SECTION III

BASIS FOR ELIGIBILITY OF THE AREA AND FINDINGS

A. Introduction

A Redevelopment Project Area, according to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-3 et. seq.), is that area designated by a municipality in which the finding is made that there exist conditions which cause the area to be classified as a blighted area, conservation area, combination of blighted and conservation areas, or an industrial park conservation area. The criteria and the individual factors defining each of these categories of eligibility are defined in the Act.

This report documents the relevant statutory requirements and how the subject area meets the eligibility criteria.

B. Statutory Qualifications

The Act defines the factors that must be present in order for an area to qualify for TIF. The following provides the statutory definitions of the qualifying factors relating to a blighted area:

“**Blighted area**” means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where:

1. **If improved**, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of five (5) or more of the following factors, each of which is (i) present, with that presence documented to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) reasonably distributed throughout the improved part of the Redevelopment Project Area:
 - a. Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings, or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.
 - b. Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.

- c. Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.
- d. Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.
- e. Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.
- f. Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.
- g. Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.
- h. Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the Redevelopment Project Area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the Redevelopment Project Area.

- i. Excessive land coverage and overcrowding of structures and community facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.
- j. Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.
- k. Environmental clean-up. The proposed Redevelopment Project Area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.
- l. Lack of community planning. The proposed Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan, or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

- m. The total equalized assessed value of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.
2. **If vacant**, the sound growth of the Redevelopment Project Area is impaired by a combination of two (2) or more of the following factors, each of which is (i) present, with that presence documented to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:
 - a. Obsolete platting of vacant land that results in parcels of limited or narrow size, or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys, or that created inadequate rights-of-way widths for streets, alleys, or other public rights-of-way, or that omitted easements for public utilities.
 - b. Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.
 - c. Tax and special assessment delinquencies exist, or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years.
 - d. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
 - e. **The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs** for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for

the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.

- f. **The total equalized assessed value of the proposed Redevelopment Project Area** has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.
3. **If vacant**, the sound growth of the Redevelopment Project Area is impaired by one of the following factors that (i) is present, with that presence documented to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) is reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:
 - a. The area consists of one or more unused quarries, mines, or strip mine ponds.
 - b. The area consists of unused rail yards, rail tracks, or railroad rights-of-way.
 - c. The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area, as certified by a registered professional engineer or appropriate regulatory agency.
 - d. **The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.**
 - e. Prior to the effective date of this amendatory Act of the 91st General Assembly, the area is not less than 50, nor more than 100 acres, and 75% of which is vacant (notwithstanding that the area has been used for

commercial agricultural purposes within five (5) years prior to the designation of the Redevelopment Project Area), and the area meets at least one of the factors itemized in paragraph (a) of this subsection, the area has been designated as a town or City center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

- f. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

C. Investigation and Analysis of Blighting Factors

To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements that must be met before a municipality can proceed with implementing a Redevelopment Project. One of these is that the municipality must demonstrate that the Redevelopment Project Area qualifies for TIF. In this situation, several blighting factors, as they are applied to vacant land, are present.

Before documenting the presence of these factors, evidence is presented to prove that the **Area can be considered vacant land pursuant to the definition of “vacant land”** in the Act, to wit:

“(v) As used in subsection (a) of Section 11-74.4-3 of this Act, “vacant land” means any parcel or combination of parcels of real property without industrial, commercial, and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the Redevelopment Project Area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided;...”

County records clearly show that the Area is comprised of Block 2 of “Old Town” in the City of Moline, and portions of adjoining street rights-of-way. Thus, the vacant parcels located within the Area have been “subdivided”.

The statutory definition of a “blighted area” is satisfied with respect to how this definition is applied to vacant land under two subsections of the Act. First, subsection 11.74.4-4-3 (a) (2) of the Act states that “[i]f vacant, the sound growth of the Redevelopment Project Area is impaired by **2 or more of the following factors** each of which is (i) is present, with that presence documented to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) is reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:...” (emphasis added). The factors present in this case is that **the Area has incurred significant environmental remedia-**

tion costs to date, and the total equalized assessed valuation (EAV) of the proposed Area has increased at a rate that is less than the balance of the City and the Consumer Price Index (CPI) for All Urban Consumers for 3 of the last 5 years.

A summary of the environmental remediation that has taken place to date and challenges and uncertainties remaining for the Area is contained in a letter from Missman Stanley & Associates to PGAV, dated October 7, 2008, a copy of which is contained in the **Appendix as Attachment C**. Expenditures on remediation efforts to date have exceeded \$133,000. Remediation has not been completed because funding ran out. The proposed redevelopment project presents a possible remedy to the situation by providing an “engineered barrier” to the contaminated soil. In any event, the unresolved problem and the lack of an NFR letter from the IEPA remains an impediment to securing financing for any redevelopment project that may occur on the site.

The second blighting factor under this subsection that is present is the EAV trend. Since the City acquired all of the properties within the Area in the late 1990’s, the EAV has been zero. Thus, the total (EAV) of the proposed Area is less than the balance of the City and the Consumer Price Index (CPI) for All Urban Consumers for 3 of the last 5 years. It should be noted that these property acquisitions by the City, along with others along the riverfront, was part of an overall revitalization strategy. Most of these properties were blighted, underutilized and/or had environmental contamination. This kind of public intervention has been necessary to help overcome the economic disincentives for private sector reinvestment.

Secondly, subsection 11.74.4-4-3 (a) (3) of the Act states that “[i]f vacant, the sound growth of the Redevelopment Project Area is impaired by **one of the following factors** that (i) is present, with that presence documented to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) is reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:...” (emphasis added). The factor present in this case is that the **Area consists of an unused disposal site containing earth, stone building debris or similar materials that were removed from a demolition site**. The demolition site in this case appears to be from the Area itself. Statements from City staff familiar with the site and Missman’s environmental scientist (Jennifer Walker) suggests that buildings were demolished on site and the material used as fill. Also, the Missman letter, contained in **Attachment C**, documents the presence of foundry slag. Since there was no foundry located on this site, it can be concluded that such slag was brought in from off-site and used as fill material. Missman estimates that a large amount of this unsuitable fill will have to be excavated. The cost of testing and removing such fill to an approved landfill or mechanically screening the soil on site will add costs to any redevelopment project that would otherwise not be incurred on a clean building site. The developer estimates that the remaining site work will cost approximately \$2.5 million, which includes raising the site out of the floodplain.

D. Conclusion of Investigation of Blighting Factors for the Redevelopment Project Area

It is found that the Redevelopment Project Area contains conditions that qualify it as a **blighted area** as this term is applied to vacant land in the TIF Act. The qualifying factors are present to a meaningful extent and distributed sufficiently throughout the Area to severely inhibit redevelopment.

Although it may be concluded that the mere presence of the stated eligibility factors might be sufficient to make a finding of qualification as a blighted area, this evaluation was made on the basis that the factors must be present to an extent that would lead reasonable persons to conclude that public intervention is appropriate or necessary. It can be concluded that public intervention is necessary because of the conditions documented herein and that private investment in the Area is lacking. While private investment has occurred in adjoining areas, none of this investment would have occurred absent significant public incentive. The City Council should review this analysis and, if satisfied with the findings contained herein, proceed with the adoption of these findings in conjunction with the adoption of the Redevelopment Plan and establishment of the Redevelopment Project Area.

SECTION IV

REDEVELOPMENT PLAN

A. Introduction

This section presents the Redevelopment Plan and Project for Moline's KONE Centre Redevelopment Project Area. A **Redevelopment Plan** is defined in the Act as "the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a blighted area or conservation area or combination thereof or industrial park conservation area, and thereby to enhance the tax bases of the taxing districts which extend into the Redevelopment Project Area".

B. General Land Uses to Apply

The Plan proposes redeveloping the Area into a mix of uses, including office, retail, services, residential and parking facilities. It is the objective of this Plan that the development activities will be consistent with the goals of redevelopment of the Bass Street Landing area. Furthermore, the Project shall be subject to the provisions of the City of Moline's ordinances and other applicable codes as may be in existence and may be amended from time-to-time.

C. Objectives

The objectives of the Redevelopment Plan are:

1. Reduce or eliminate those conditions that qualify the Redevelopment Project Area as eligible for tax increment financing by carrying out the Redevelopment Plan. These improvements may include other actions permitted by the Act and infrastructure needs as identified during the implementation of the Redevelopment Plan.
2. Enhance the real estate tax base for the City and all other taxing districts, which extend into the Redevelopment Project Area through the implementation and completion of the activities identified herein.
3. Encourage and assist private investment in redevelopment projects within the Redevelopment Project Area through the provision of financial assistance for new development as permitted by the Act.

4. Provide for safe and efficient traffic circulation; facilitate effective emergency response time and accessibility; and generally improve access within the Redevelopment Area.
5. Complete all public and private actions required in this Redevelopment Plan in an expeditious manner.

D. Program Policies to Accomplish Objectives

The City of Moline has determined that it is appropriate to provide limited financial incentives for private investment within the Redevelopment Planning Area. It has been determined through discussions with the developer that tax increment financing constitutes a key component of leveraging private investment within the Redevelopment Project Area. The City will incorporate appropriate provisions within any redevelopment agreement entered into between the City and private parties to achieve the successful completion of the redevelopment project described below.

E. Redevelopment Project

To achieve the Plan objectives and the overall project proposed in the Plan, a number of public and private activities will need to be undertaken. This includes a combination of private developments and public investment to leverage this private development. Improvements and activities necessary to implement the Plan may include the following:

1. Private Redevelopment Activities:

The developer will construct a 10-story office building, with retail and services on the 1st floor and a structured parking facility. Plans include the possibility of adding up to 10 additional stories for residential condominiums. The primary tenant of the office building will be KONE Corporation. KONE is one of the world's leading elevator and escalator companies. This project will consolidate certain U.S. corporate operations in Moline, and by doing so, retain KONE as a key employer in the Quad Cities area.

2. **Public Redevelopment Activities:**

Public improvements and support activities will be used to induce and complement private investment. These may include but are not limited to land assembly and site preparation, public utilities, interest write-down, and marketing of properties, as well as other programs of financial assistance, as may be provided by the City.

3. **Land Assembly, Displacement Certificate & Relocation Assistance:**

The City has assembled the properties within the Area with the intent to eventually convey to private entities in order to attract private redevelopment of the Area. Several years ago the City issued a request for proposal (RFP) for the redevelopment of the Area and selected a developer. This project did not come about and more recently, a new developer has approached with City with a proposal to redevelop the Area as described herein. The City once again issued an RFP to provide reasonable opportunity for any person to submit alternate proposals or bids pursuant to the requirements of the TIF Act.

Additionally, this Plan will not include the displacement of inhabited housing units because there are no housing units located within the Project Area.

Displacement Certificate:

Under Sections 11-74.4-3 (n) (5) and 11-74.4-4.1 (b) of the Tax Increment Allocation Redevelopment Act, the City hereby certifies that this Redevelopment Plan will not result in the displacement of any inhabited residential units.

F. **Estimated Redevelopment Project Costs**

The estimated costs associated with the eligible public redevelopment activities are presented in **Exhibit B** entitled **Estimated Redevelopment Project Costs**. This estimate includes reasonable or necessary costs incurred, or estimated to be incurred, in the implementation of this Redevelopment Plan. These estimated costs are subject to refinement as specific plans and designs are finalized and experience is gained in implementing this Redevelopment Plan and do not include financing costs or interest payments that may be incurred in conjunction with redevelopment projects.

Exhibit B

ESTIMATED REDEVELOPMENT PROJECT COSTS
KONE Centre Redevelopment Project Area
City of Moline, Illinois

Description	Estimated Cost
A. Public Works or Improvements <i>(Improvement of streets, curb and gutters, utilities, and other public improvements)</i>	\$1,500,000
B. Property Assembly <i>(Acquisition of land and site preparation)</i>	\$3,000,000
C. Taxing District Capital Costs	\$1,200,000
D. Job Training	\$50,000
E. School District Increased Costs	\$50,000
F. Interest Costs Incurred by Developers <i>(30% of interest costs)</i>	\$5,800,000
G. Planning, Legal & Professional Services	\$300,000
H. General Administration	\$100,000
I. Financing Costs	See Note 3
J. Contingency	\$500,000
Total Estimated Costs	\$12,500,000

Notes:

1. All costs shown are in 2008 dollars.
2. Adjustments may be made among line items within the budget to reflect program implementation experience.
3. Municipal financing costs such as interest expense, capitalized interest and cost of issuance of obligations are not quantified herein. These costs are subject to prevailing market conditions and will be considered part of the total redevelopment pro
4. Private redevelopment costs and investment are in addition to the above.
5. The total estimated redevelopment project costs shall not be increased by more than 5% after adjustment for inflation from the date of the Plan adoption, per subsection 11-74.4.5 (c) of the Act.

In addition to the proposed TIF funding, the City may seek the assistance of various State of Illinois Departments (Illinois EPA, Department of Commerce and Economic Opportunity, etc), or appropriate agencies of the Federal Government to assist in funding site preparation, infrastructure, or other required projects or improvements. To the extent additional funds can be secured from the State of Illinois, or any federal program or other public or private sources, the City may use such funding sources in furtherance of the Redevelopment Plan and Projects.

G. Description of Redevelopment Project Costs

Costs that may be incurred by the City in implementing the Redevelopment Plan may include project costs and expenses as itemized in **Exhibit B**, subject to the definition of “redevelopment project cost” as contained in the TIF Act, and the “Contingency” line item may include any other costs that are eligible under said definition. Itemized below is the statutory listing of “redevelopment project costs” currently permitted by the TIF Act [bold typeface added for emphasis]. Note that some of the narrative below has been paraphrased (see full definitions in the TIF Act).

1. **Costs of studies, surveys, development of plans and specifications**, wetland mitigation plans, implementation and administration of the Redevelopment Plan, including but not limited to staff and professional service costs for architectural, engineering, legal, environmental, financial, planning or other services, subject to certain limitations:
 - a. There are limitations on contracts for certain professional services with respect to term, services, etc.
 - b. Annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan.
 - c. Marketing costs are allowable so long as they relate to marketing sites within the redevelopment project area to prospective businesses, developers, and investors.
2. **Property assembly costs**, including but not limited to acquisition of land and other property, real or personal or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground level environmental contamination, including but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land.
3. **Cost of construction of public works or improvements**, except that redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that it is not intended to replace an existing public building as provided for in paragraph 3 above, unless either:

- a. the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999; or
 - b. the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan.
4. **Cost of job training** and retraining projects, including the cost of “welfare to work” programs **implemented by businesses** located within the redevelopment project area.
5. **Financing costs**, including but not limited to, all necessary and incidental expenses related to the issuance of obligations by the City, and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding thirty-six (36) months thereafter, and including reasonable reserves related thereto.
6. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a **taxing district's capital costs** resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.
7. **Relocation costs** to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or in order to satisfy Subsection 11-74.4-3 (n) (7) of the TIF Act (re: federal Uniform Relocation Assistance and Real Property Acquisition Policies Act requirements).
8. **Costs of job training**, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, **incurred by one or more taxing districts**, provided that such costs:
 - a. are related to the establishment and maintenance of additional job training, advanced vocational education or career education or career education programs for persons employed or to be employed by employers located in a redevelopment project area: and

- b. when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the programs to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and types of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the terms of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code.
9. **Interest costs incurred by a redeveloper** related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;
 - b. such payments in any one-year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - d. the total of such interest payments paid pursuant to this Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs, excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act;
10. None of the redevelopment project costs enumerated above shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area, while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area mu-

nicipality. For purposes of this paragraph, termination means closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area; but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

SECTION V

OTHER FINDINGS AND REQUIREMENTS

A. Conformance with Comprehensive Plan

Development projects proposed to be undertaken in implementing this Redevelopment Plan conform to the Comprehensive Plan for the City of Moline. In addition, all development in the Redevelopment Planning Area will comply with applicable codes and ordinances.

B. Area, on the Whole, not Subject to Growth and Development

The Redevelopment Project Area on the whole has not been subject to growth and investment. The only private investment in the Project Area was a private donation of approximately \$45,000 dollars that was used for partial remediation of environmental contamination within the Area. All other investment has been with public funds for property assembly, building demolition and remediation activities.

C. Would Not be Developed “but for” TIF

The City has found that the Redevelopment Project Area would not reasonably be developed without the use of tax increment revenues. The City further commits that such incremental revenues will be utilized for the development and revitalization of the Redevelopment Project Area as provided in the Act. Underscoring the economic need for municipal financial assistance in the form of tax increment financing is the fact that without the City’s commitment to provide such municipal financial assistance, there will not be commitments for private development and revitalization.

The developer proposing to develop the KONE Centre has provided the City with a financial pro-forma analysis which clearly shows that the project is not feasible without TIF to reimburse the developer for certain TIF eligible redevelopment project costs. Several key economic disincentives include the cost of site preparation and the cost of building a 260-space parking structure at approximately \$16,000 per parking space.

It is the intent of this TIF Redevelopment Plan to help overcome the economic disincentives. Without financial incentives to overcome these barriers, investment by private enterprise will not take place to redevelop this Area.

D. Assessment of Financial Impact

The City finds that the Plan and Project proposed by this Redevelopment Plan will not place significant additional demands on facilities or services for any local taxing body, except for the City's Fire Department. The estimated redevelopment project costs contained herein includes a line item for "taxing district capital costs" to help address this need created by the Project. In this case, all or a portion of the cost of a 100 foot aerial truck with a 200 gallon tank and a 2,000 gallons per minute pump will likely be needed to provide adequate protection for this high-rise.

The City and Joint Review Board will monitor the progress of the TIF program and its future impacts on all local taxing bodies. In the event significant adverse impacts are identified that increase demands for facilities or services in the future, the City will consider utilizing tax increment proceeds or other appropriate actions, to the extent possible, to assist in addressing the needs.

E. Estimated Date for Completion of the Redevelopment Projects

The estimated date for completion of the Redevelopment Project or retirement of obligations issued shall not be later than December 31st of the year in which the payment to the City Treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the Redevelopment Project Area is adopted.

F. Most Recent Equalized Assessed Valuation

The most recent total equalized assessed valuation (EAV) for the Redevelopment Project Area is zero, as all parcels of property are currently owned by the City. A listing of the **parcels of real property located in the Project Area, and the 2007 Assessment Year EAV**, is located in the **Appendix as Attachment D**. The County Clerk of Rock Island County will verify the base EAV amount of each property after adoption of the City ordinances approving the Redevelopment Plan and establishing the Redevelopment Project Area.

G. Redevelopment Valuation

Contingent on the adoption of this Tax Increment Redevelopment Plan and commitment by the City to the Redevelopment Program, it is anticipated that the redevelopment investment in this Redevelopment Project Area will amount to over \$40 million. Based on this level of investment, the equalized assessed valuation is estimated to increase by \$5.5 to \$7 million (2008 dollars) upon completion of the redevelopment project.

H. Source of Funds

The primary source of funds to pay for Redevelopment Project Costs associated with implementing the Redevelopment Plan and Projects shall be funds collected pursuant to tax increment allocation financing to be adopted by the City of Moline. Under such financing, tax increment revenue resulting from increases in the EAV of property, in each Redevelopment Project Area shall be allocated to a special fund each year (the "Special Tax Allocation Fund"). The assets of the Special Tax Allocation Fund shall be used to pay Redevelopment Project Costs and retire any obligations incurred to finance Redevelopment Project Costs.

In order to expedite the implementation of the Redevelopment Plan and Projects and construction of the public improvements, the City of Moline, pursuant to the authority granted to it under the TIF Act, may issue bonds or other obligations to pay for the eligible Redevelopment Project Costs. These obligations may be secured by future revenues to be collected and allocated to the Special Allocation Fund.

If available, revenues from other economic development funding sources, public or private, will be utilized. These may include State and Federal programs, local retail sales tax, applicable revenues from any adjoining Tax Increment Financing Areas, and land disposition proceeds from the sale of land in the Redevelopment Project Area, as well as other revenues. The final decision concerning redistribution of yearly tax increment revenues may be made a part of a bond ordinance.

I. Nature and Term of Obligations

Without excluding other methods of City or private financing, the principal source of funding will be those deposits made into the Special Allocation Fund of monies received from the taxes on the increased value (above the initial equalized assessed value) of real property in the Area. These monies may be used to repay private or public sources for the expenditure of funds made as "Redevelopment Project Costs" for applicable public or private redevelopment activities noted above, or may be used to amortize Tax Increment Revenue obligations, issued pursuant to this Redevelopment Plan and Project, for a term not to exceed 20 years bearing an annual interest rate as permitted by law. Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the bonds and not needed for other redevelopment project costs or early bond retirements may be declared as surplus and become available for distribution annually to the taxing bodies to the extent that this distribution of surplus does not impair the financial viability of the project.

J. Fair Employment Practices and Affirmative Action

The City of Moline will insure that all private and public redevelopment activities are constructed in accordance with fair employment practices and affirmative action by any and all recipients of Tax Increment Financing assistance.

K. Reviewing and Amending the TIF Plan

This Redevelopment Plan may be amended in accordance with the provisions of the TIF Act. Also, the City shall adhere to all reporting requirements and other statutory provisions.

APPENDIX

ATTACHMENT A

Resolution 1116-2008

Council Bill/Resolution No. 1116-2008

Sponsor: _____

A RESOLUTION

PROVIDING for a feasibility study on the designation of a portion of the City of Moline as a redevelopment project area and to induce development interest within such area; and

AUTHORIZING the Mayor and City Clerk to execute a pre-funding agreement related thereto.

WHEREAS, the City of Moline (the "City") is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 11-74.4-1, et seq. ("the Act"), to finance redevelopment project costs in connection with redevelopment project areas established in accordance with the conditions and requirements set forth in the Act; and

WHEREAS, pursuant to the Act, to implement tax increment financing (TIF), it is necessary for the City to adopt a redevelopment plan and redevelopment project, designate a redevelopment project area on the basis of finding that the area qualifies pursuant to statutory requirements, and make a finding that the redevelopment project area on the whole has not been subjected to growth and development through private enterprise and would not reasonably be anticipated to be developed without the adoption of a redevelopment plan, which plan contains a commitment to use public funds; and

WHEREAS, the City desires to undertake a feasibility study to determine whether findings may be made with respect to an area of the City, generally described herein, which may be designated as a redevelopment project area, to qualify the area as a blighted area or a conservation area or a combination thereof as defined in the Act, and other research necessary to document the lack of growth and development through private enterprise; and

WHEREAS, the exact extent and boundaries of the redevelopment project area are not precisely defined at this time but the area being considered includes the former Bass Street north of River Drive on 17th Street, as delineated on Exhibit "A" attached hereto; and

WHEREAS, the City will be expending certain funds to determine eligibility of the proposed redevelopment project area and to prepare the required redevelopment plan if the City decides to implement tax increment financing for all or a portion of the proposed TIF area; and

WHEREAS, the City may expend other funds in furtherance of the objectives of the anticipated redevelopment plan; and

WHEREAS, it is the intent of the City to recover these expenditures from first proceeds of the TIF program, if established; and

Council Bill/Resolution No. 1116-2008

Page 2 of 3

WHEREAS, the City wishes to encourage Financial District Properties KP, L.L.C./Rodney Blackwell (the Developer) to pursue plans for the redevelopment of the area and make such expenditures as are reasonably necessary in that regard with confidence that said expenditures may be allowable redevelopment project costs under the plan once adopted and subject to a redevelopment agreement between the City and the Developer; and

WHEREAS, the purpose of the proposed redevelopment plan and project is to generate private investment in the targeted area, thereby eliminating or reducing blighted conditions or conditions that may lead to blight and provides for the long-term sound growth of the community; and

WHEREAS, tax increment allocation financing utilizes the increase in real estate taxes ("tax increment") resulting from the increase in value of properties located in a redevelopment project area to pay for certain redevelopment projects costs as provided for in the Act; and

WHEREAS, of the purposes of the proposed redevelopment plan or proposed redevelopment project area, none are reasonably expected to result in the displacement of residents from ten (10) or more inhabited residential units within the area; therefore, the feasibility study is not required to include the preparation of any housing impact study as described in Section 11-74.4-4.1 (b) of the Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moline, Illinois, as follows:

That the City Council has examined the proposed area and circumstances and at this time finds that it is reasonable to believe that a tax increment financing plan can be adopted for said area and expenditures of development costs in furtherance of the plan, and potential development should be allowable project costs under the plan, provided that this resolution is not a guarantee that any such plan will be adopted, but rather an expression of the sense of the City at this time.

BE IT FURTHER RESOLVED that the person to contact for additional information about the proposed redevelopment project area and who should receive all comments and suggestions regarding the redevelopment of the area shall be:

Ray Forsythe
Economic Development Director
City of Moline
619 16th St.
Moline, IL 61265
Telephone (309) 797-0708

BE IT FURTHER RESOLVED that the Mayor and City Clerk are hereby authorized to execute a Pre-funding Agreement with Financial District Properties KP, L.L.C./Rodney Blackwell concerning the proposed redevelopment project area and redevelopment project within said area; provided, however, that such Pre-funding Agreement is in substantially similar form as that attached hereto as Exhibit "B" and has been approved as to form by the Law Director.

Council Bill/Resolution No. 1116-2008

Page 3 of 3

CITY OF MOLINE, ILLINOIS



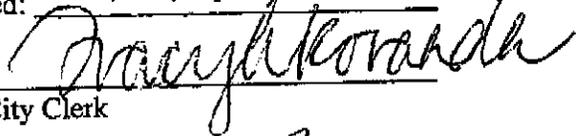
Mayor

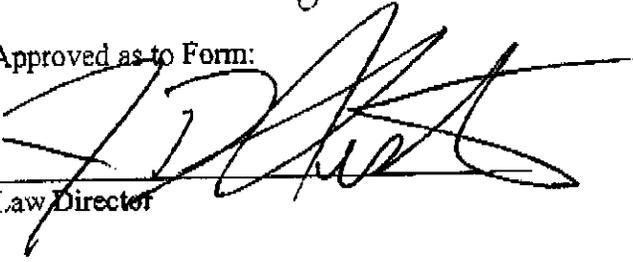
9/2/08

Date

Passed: 9.2.08

Approved: 9.9.08

Attest: 
City Clerk

Approved as to Form:

Law Director

ATTACHMENT B

**Boundary Description
KONE Centre Redevelopment Project Area**

DESCRIPTION

BEING A PART OF BLOCK 2 OF "OLD TOWN"; ALL OF BASS STREET LANDING ADDITION; PART OF BLOCK "D" OF GEORGE DAVENPORT'S ADDITION; ALL OF 1ST AVENUE LYING IN BLOCK 2; AND PART OF 17TH STREET ALL IN THE CITY OF MOLINE, ROCK ISLAND, COUNTY, ILLINOIS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AS A POINT OF REFERENCE AT THE SOUTHEASTERLY CORNER OF BLOCK 2 OF "OLD TOWN" IN THE CITY OF MOLINE;

THENCE NORTH 27° 01' 09" WEST 70.41 FEET ALONG THE WESTERLY RIGHT-OF-WAY LINE OF 17TH STREET AND THE NORTHEASTERLY LINE OF SAID BLOCK 2 TO THE POINT OF BEGINNING;

THENCE SOUTH 63° 22' 12" WEST 354.89 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF USA ROW;

THENCE NORTH 41° 16' 22" WEST 24.39 FEET ALONG SAID RIGHT-OF-WAY;

THENCE NORTH 27° 06' 41" WEST 279.74 FEET ALONG SAID RIGHT-OF-WAY TO THE NORMAL HIGH WATER LINE OF THE MISSISSIPPI RIVER;

THENCE NORTH 50° 21' 01" EAST 9.49 FEET ALONG SAID NORMAL HIGH WATER LINE;

THENCE NORTH 21° 10' 39" EAST 15.60 FEET ALONG SAID NORMAL HIGH WATER LINE;

THENCE NORTH 00° 54' 21" WEST 41.69 FEET ALONG SAID NORMAL HIGH WATER LINE;

THENCE NORTH 18° 50' 38" EAST 11.75 FEET ALONG SAID NORMAL HIGH WATER LINE;

THENCE 8.85 FEET ALONG THE ARC OF A 10.99 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY (THE CHORD OF SAID CURVE BEARS NORTH 4° 20' 05" EAST 8.61 FEET) ALONG SAID HIGH WATER LINE;

THENCE NORTH 15° 07' 52" EAST 43.74 FEET ALONG SAID HIGH WATER LINE;

THENCE 78.45 FEET ALONG THE ARC OF A 30.40 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY (THE CHORD OF SAID CURVE BEARS NORTH 23° 49' 45" EAST 58.43 FEET) ALONG SAID HIGH WATER LINE;

THENCE NORTH 33° 53' 29" EAST 70.05 FEET ALONG SAID HIGH WATERLINE;

THENCE NORTH 27° 24' 25" EAST 28.49 FEET ALONG SAID HIGH WATER LINE;

THENCE NORTH 36° 56' 58" EAST 28.64 FEET ALONG SAID HIGH WATER LINE;

THENCE NORTH 48° 57' 09" EAST 28.88 FEET ALONG SAID HIGH WATER LINE;

THENCE NORTH 69° 36' 26" EAST 18.65 FEET ALONG SAID HIGH WATER LINE;

THENCE NORTH 49° 17' 32" EAST 75.51 FEET ALONG SAID HIGH WATER LINE;

THENCE NORTH 16° 55' 47" EAST 14.79 FEET ALONG SAID HIGH WATER LINE;

THENCE NORTH 36° 15' 57" EAST 36.81 FEET ALONG SAID HIGH WATER LINE;

THENCE NORTH 82° 13' 28" EAST 45.91 FEET ALONG SAID HIGH WATER LINE;

THENCE SOUTH 27° 12' 21" EAST 176.25 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF 17TH STREET;

THENCE 58.02 FEET ALONG THE ARC OF A 56.00 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY (THE CHORD OF SAID CURVE BEARS SOUTH 40° 51' 43" EAST 55.46 FEET) ALONG THE SAID EASTERLY RIGHT-OF-WAY OF 17TH STREET;

THENCE SOUTH 28° 01' 00" EAST 16.89 FEET ALONG THE SAID EASTERLY RIGHT-OF-WAY OF 17TH STREET TO THE NORTHWESTERLY CORNER OF LOT 1 OF STONEY CREEK 1ST ADDITION;

THENCE 23.56 FEET ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE, CONCAVE SOUTHEASTERLY (THE CHORD OF SAID CURVE BEARS SOUTH 17° 58' 59" WEST 21.21 FEET) ALONG THE SAID RIGHT-OF-WAY OF 17TH STREET AND THE NORTHWESTERLY LINE OF LOT 1 OF STONEY CREEK 1ST ADDITION

THENCE SOUTH 27° 01' 09" EAST 286.01 FEET ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF 17TH STREET AND THE WESTERLY LINE OF LOT 1 OF STONEY CREEK 1ST ADDITION TO THE POINT OF BEGINNING.

THIS PARCEL CONTAINS 4.809 ACRES MORE OR LESS.

(FOR PURPOSES OF THIS DESCRIPTION THE NORTHEASTERLY LINE OF BLOCK 2 IS ASSUMED TO BEAR NORTH 27° 01' 09" WEST)

ATTACHMENT C

**Missman Stanley & Associates, P.C. Letter
Summary of Bass Street Landing
Environmental Remediation Site**



October 7, 2008

Mr. Mike Weber
PGAV
200 North Broadway
Suite 2000
St. Louis, MO 63102

Re: Summary of Bass Street Landing Environmental Remediation Site/
Proposed KONE Centre Development Site
Northwest of 17th Street & River Drive, Moline, Illinois

Mr. Weber,

Missman, Stanley & Associates, P.C. (Missman) has acted as a consultant on behalf of the City of Moline for the past 10 years regarding the environmental assessment and remediation of the above-referenced site. Specifically, the remediation site measures approximately 3 acres in size and is part of a larger development initiative commonly known as "Bass Street Landing" (BSL). Please refer to the attached Missman diagram depicting the extents of the environmental remediation site.

The BSL remediation site is enrolled into the Illinois EPA's voluntary Site Remediation Program, which has overseen all environmental investigation and remediation efforts. These efforts have largely been accomplished with funding provided through the Illinois EPA's Municipal Brownfields Redevelopment Grant Program. Missman estimates \$133,000 has been spent to date investigating and remediating contamination at the BSL remediation site. This does not include \$62,000 worth of City personnel's time to administer this and three other nearby brownfield sites. Environmental contamination has not been a unique issue to this site during the City's riverfront redevelopment efforts.

The ultimate goal for the BSL remediation site is to receive a No Further Remediation (NFR) letter from the Illinois EPA. As of this date, a NFR letter has not been issued.

As a riverfront property, the BSL remediation site has a long history of commercial and industrial development. Subsurface drilling and digging completed to date suggests that buildings were demolished in place, and fill material including foundry slag was brought onto the property over the years. Missman has characterized the environmental contamination present in the near-surface soils to consist of metals (e.g., lead and manganese) and semi-volatiles (e.g., benzo(a)pyrene, dibenzo(a,h)anthracene, and carbazole). Additionally, environmental contamination of groundwater was identified (e.g., lead, manganese, and thallium).

Slightly less than half of the BSL remediation site was redeveloped in 2004 – 2005 as a commercial building with an adjoining plaza. Unsuitable fill removed for this construction project was temporarily stockpiled on the northern portion of the BSL remediation site. This stockpile was later removed, with a portion having to be landfilled due to the environmental contamination that was present. The decision was made to remove the stockpile because the material was not likely to be suitable for future use as



**Summary of Bass Street Landing Environmental Remediation Site/
Proposed KONE Centre Development Site
October 7, 2008**

structural fill. Environmental remediation of the southern portion of the BSL remediation site is considered complete.

In 2007, the City used funding from a privately-owned company to attempt to dig out and dispose of contamination present on the northern portion of the BSL remediation site. Specifically, efforts were focused in the area of sampling point B-3, which is located just north of the plaza on the eastern portion of the remediation site. Unfortunately, funding ran out before clean test results could be obtained at the extents of the digging. More environmental remediation is needed in this area, the extents of which are largely unknown. Missman has recommended that proposed buildings and paved areas be used as engineered barriers, effectively encapsulating any remaining environmental contamination in the soil. Additionally, an existing City ordinance prohibiting the use of groundwater as potable water will address the groundwater contamination issue.

Perhaps the greatest development challenge that remains at the BSL remediation site is unsuitable structural fill material that is present. As previously mentioned, disposal of building debris and foundry slag has been apparent. Missman anticipates a large quantity of soil/debris will have to be excavated in preparation for pouring foundations. No material may be transported off the remediation site without laboratory testing; similarly, no sand or soil may be transported onto the remediation site without laboratory testing. Laboratory testing will be incrementally required by the Illinois EPA, meaning the more material that is moved onto/off of the remediation site, the more samples that will need to be tested and the more laboratory fees that will be incurred. Therefore, Missman will recommend earthwork contractors attempt to mechanically screen on-site soils and logistically move soils to appropriate areas of the development in effort to use as much of the on-site material as possible.

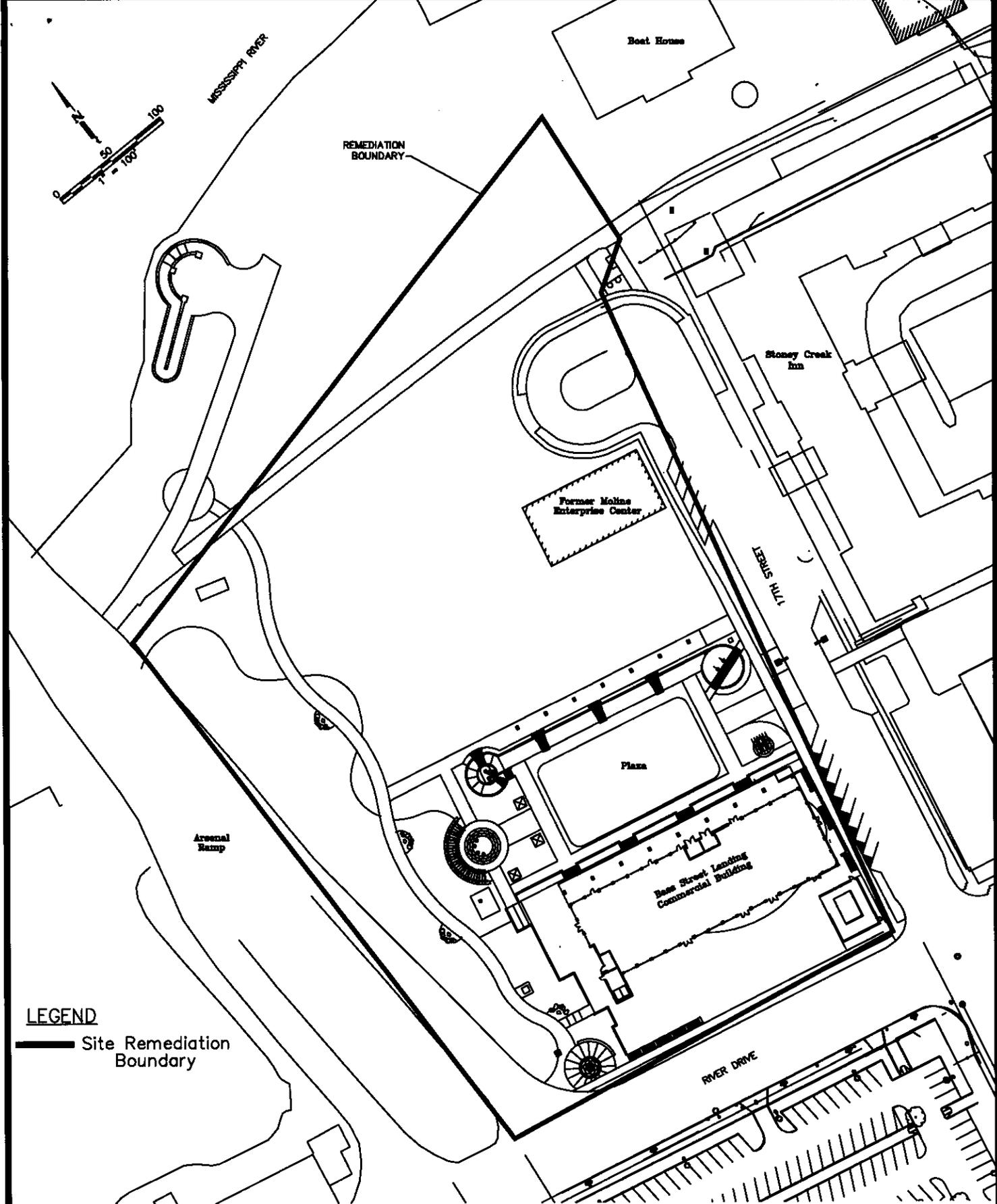
If you should have any additional questions about the environmental investigation, remediation or status of the BSL remediation site, please do not hesitate to contact *Jennifer Walker* or *Mike Harnung* of Missman at (563) 344-0260.

Sincerely,
MISSMAN, STANLEY & ASSOCIATES, P.C.

Jennifer L. Walker
Environmental Scientist

Attachment: Diagram of the BSL Remediation Site

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LEGEND

 Site Remediation Boundary

IL Design Firm No. 184-000843

Missman Project No. C00E018
 File Name:
 Copyright 2007
 All Rights Reserved
 Drawn By: MWM
 Checked By: ALW
 Date: 10/20/08

Bass Street Landing
 Moline, IL
 Exhibit - Remediation Boundary

Missman
 STANLEY & ASSOCIATES, P.C.
 Civil Engineering-Environmental Services-GIS-Landscape Architecture-Surveying
 1717 State Street, Suite 201 Bettendorf, Iowa 52722
 Phone (883) 944-0280 Fax (883) 944-0283

REVISIONS		
No.	DESCRIPTION	DATE

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Sheet 1 of 1

Figure 1

ATTACHMENT D

PIN LIST, PROPERTY OWNERS & 2007 EAV

PROPERTY IDENTIFICATION NUMBER (PIN) LIST**KONE Centre Redevelopment Area**

City of Moline, Illinois

Parcel I. D. No.	Owner	Site Address	Mailing Address	2007 EAV
08-32-209-002	City of Moline	105 17th St.	619 16th St. Moline, IL 61265	0
08-32-209-003	City of Moline	111 17th St.	619 16th St. Moline, IL 61265	0
08-32-209-004	City of Moline	1625 2nd Ave.	619 16th St. Moline, IL 61265	0
08-32-209-005	City of Moline / Planning	1631 2nd Ave.	619 16th St. Moline, IL 61265	0
08-32-209-001	City of Moline	1601 2nd Ave.	619 16th St. Moline, IL 61265	0
08-32-201-001	City of Moline	1707 1st Ave.	619 16th St. Moline, IL 61265	0

PGAV**URBAN**CONSULTING

200 North Broadway, Suite 1000 • Saint Louis, Missouri 63102
1900 West 47th Place, Suite 100 • Westwood, Kansas 66205

www.pgav.com