

The Dispatch

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ON THE WEB: QConline.com 75¢

KONE financing set



Submitted

This artist's rendering shows the completed KONE Centre as it will appear in Moline's Bass Street Landing. Financing for the project has been secured, and construction is expected to begin soon.

Construction to begin soon on downtown Moline tower

By Jonathan Turner
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Construction of the long-planned \$40 million KONE Centre in Moline is ready to begin with final financing in place, city officials and the project developer announced Monday.

The 10-story, eight-floor KONE Centre will be built north of River Drive, east of the Arsenal Bridge ramp and west of 17th Street, at Bass Street Landing.

"Today we are deeply pleased to announce crucial financing provisions, which ensure the complete development of this project and all of its possibilities," Moline

Mayor Don Welvaert said Monday in a news release.

Developer Rodney Blackwell of Financial District Properties praised U.S. Bank and subsidiary U.S. Bancorp Community Development Corp. for "working tirelessly" to get financing in place.

The Illinois Finance Authority, in partnership with the Quad City Regional Economic Development Authority, approved \$20.2 million in Midwestern Disaster Area Bonds for construction of the high-rise. The tax-exempt bonds are part of a federal program to finance

See ► KONE, A2

Q-C Area

KONE

From Page A1

private projects that will generate jobs and economic development activity in 18 designated Illinois counties damaged in mid-2008 by floods and other storms.

"In this difficult economic environment, securing the innovative financing package announced today will enable the KONE Centre project to advance," Renew Moline chairman Tom Robinson said in the release. "This exciting and long-awaited project challenged numerous parties to roll up their sleeves and explore creative financing solutions."

'This structure, along with KONE signage, will be highly visible and will change the downtown Moline skyline.

Everything is really starting to synergize. It's amazing how we have turned the corner.'

Rodney Blackwell, developer

"This announcement reflects the results of a marriage between public and private partnerships and perseverance," he said.

U.S. Bank bought the bonds and USBCDC, which specializes in tax credit financing, will provide \$7 million in tax credits to

and area director for the Americas.

KONE will become the anchor tenant, occupying the third to eighth floors, with four condominiums on the top floor, Renew Moline executive director Jim Bowman said Monday. The project will retain 375 KONE jobs and add an estimated 53 construction jobs and 50 new permanent positions.

The development has been in the works for more than three years, with a ceremonial groundbreaking on Nov. 17, 2008. Mr. Bowman said Ryan Companies will be general contractor, with earth-moving to start immediately and full construction, including interior work, expected to take about two years.

"The KONE Centre initiative, which is a key component of the continued successful revitalization of the Moline Mississippi riverfront, is the first project in the state to receive Midwestern Disaster Area Bonds," said Christopher Meister, Illinois Finance Authority executive director. "This is just the kind of project the program was designated to support and, IFA is proud to leverage this program to help move the creative riverfront vision from dream to reality."

State Sen. Mike Jacobs, D-East Moline, said the action "reflects a lot of hard work and perseverance by many people in both the public and private sectors.

"This demonstrates what can be accomplished when

help complete funding, Mr. Blackwell said. His company is putting up \$6 million in project costs, \$2.7 million for pre-sold condominiums, and will receive a maximum \$10 million property tax rebate over 23 years from the city tax increment financing (TIF) district.

Through the TIF, Mr. Blackwell will get back 90 percent of the property taxes he pays from the new development, he said. After the life of the TIF, all the tax revenue goes back to the public taxing bodies.

"This development furthers the shared goals of USBCDC and our Community Banking group, which seek to provide innovative financing solutions to meet the needs of our customers and communities," said Jim Richardson, U.S. Bank vice president. "We're excited to build new relationships with all parties involved as well as continue our commitment to the Quad Cities."

Plans call for the KONE Corp., a Finland-based company that makes elevators and escalators, to consolidate its current Moline administrative and call center operations to the state-of-the-art high-rise to be conveniently located just two blocks from its existing location.

"Today's announcement continues KONE's 100-plus-year track record of serving this community and our customers while also reaffirming our commitment to maintaining a strong presence in the Quad-Cities," said Vance Tang, KONE executive vice president

the state of Illinois joins hands with the private sector to promote economic development in the 36th District," he said. "I want to commend Rodney Blackwell, too, who is the type of entrepreneur we need to retain existing and create new jobs."

"The enormity of this project, combined with tough economic conditions, has made progress more challenging," Mayor Welvaert said. The jobs KONE will retain equate to more than \$10 million in annual payroll, he noted.

The development also is to achieve Leadership in Energy and Environmental Design silver designation. The project won a \$471,000 grant from the Illinois Department of Commerce and Economic Opportunity for installation of a 316-kilowatt solar photovoltaic system to help earn the LEED certification.

LEED is the "nationally accepted benchmark for the design, construction, and operation of high-performance green buildings," Mr. Blackwell said.

"This structure, along with KONE signage, will be highly visible and will change the downtown Moline skyline," he added. "Everything is really starting to synergize," Mr. Blackwell added of the downtown.

"It's amazing how we have turned the corner. This is the place to be for corporate, entertainment and lodging," he said. "The people of Moline made this happen over 15 years. It's really working at a time when nothing is working."



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