

# q-c area

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## KONE Centre step closer

### Moline moves riverfront proposal forward

By Dawn Neuses  
dneuses@qconline.com

MOLINE — City officials said they continue to work with the investors of new market tax credits to complete the equity financing for KONE Centre.

City administrator Lew Steinbrecher told the city council Tuesday that the city remains committed to the project, and keeping KONE and its employees in Moline. To that end, it is working with the investors who have proposed amendments to the city's development agreement with



Lew Steinbrecher

Financial District Properties LLC, of which Rodney Blackwell is the manager.

Mr. Steinbrecher said he couldn't discuss the proposed amendments being negotiated. But he did tell aldermen



Rodney Blackwell

“some of the amendments proposed by the investors weaken the safeguards negotiated into the development agreement to protect the city's financial interests...”

KONE Centre is to be a \$40 million, 10-story building in Bass Street Landing in Moline. First proposed in 2007 with offices, residences and a parking deck, it will be located south of River Drive and west of 17th Street, on 2.1 acres of city-owned land.

On Tuesday, the Moline Committee of the Whole agreed to advance the final plat of the land at the proposed KONE development site and vacating 1st Avenue right-of-way between 16th

and 17th streets to the city council for a formal vote.

The new plat was needed because the site now consists of several lots and some public right-of-way for streets that were never built, said Shawn Christ, Moline's land development manager. Once platted into a single lot, it can be sold to a developer, he said.

In March 2009, the city and Mr. Blackwell signed a development agreement to create a tax increment financing district for the project, allowing the developer to receive a property tax rebate up to \$10.125 million to cover specific project costs.

In a TIF district, any increase in taxes caused by the increased property value created by development can be used for public infrastructure or rebates to developers. In this case, the developer would get a rebate of 90 percent of the property taxes over a 23-year period.

Mr. Steinbrecher said Mr. Blackwell's private financing has been secured, and that is good news.

“That is the one issue we have been waiting for

and hoping for the past two years,” he said.

Renew Moline on Monday announced the project will be financed with personal equity by Mr. Blackwell, bank financing, federal new market tax credits, state tax credits and state disaster relief bonds. How much in each type of financing is unknown; Mr. Blackwell could not be reached for comment.

The target date to close on all financing is Sept. 15, said Renew Moline executive director Jim Bowman.

He said the Illinois Finance Authority Board on Tuesday approved the Preliminary Bond Resolution for the project using disaster relief bonds for the project — another step forward, Mr. Bowman said.

Achieving financing in these economic times for any commercial project is not easy, he said.

“This is not like financing a regular building,” Mr. Bowman said, adding that's why the process has taken so long. “Getting to this point is a significant hurdle to overcome.”