

ANNUAL TAX INCREMENT FINANCE REPORT



SUSANA A. MENDOZA
ILLINOIS STATE COMPTROLLER

Name of Municipality:	<u>Rock Island</u>	Reporting Fiscal Year:	2023
County:	<u>Rock Island</u>	Fiscal Year End:	12/31/2023
Unit Code:	<u>081/075/30</u>		

First Name:	Tarah	Last Name:	Sipes		
Address:	1528 Third Avenue	Title:	Economic Development Manager		
Telephone:	(309) 732-2923	City:	Rock Island	Zip:	61201
E-mail	sipes.tarah@rigov.org				

in the **City/Village** of: Rock Island

is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

Tarah Sipes
Written signature of TIF Administrator

8/12/24
Date

FILL OUT ONE FOR EACH TIF DISTRICT

[illegible]

*All statutory citations refer to one of two sections of the Illinois Municipal Code: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

SECTION 2 [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

FY 2023

Name of Redevelopment Project Area:

Jumers/Parkway-I280

Primary Use of Redevelopment Project Area*: Commercial	
*Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.	
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was the Redevelopment Project Area designated? (check one): Tax Increment Allocation Redevelopment Act ☒ Industrial Jobs Recovery Law ☐	

Please utilize the information below to properly label the Attachments.

	No	Yes
For redevelopment projects beginning prior to FY 2022, were there any amendments, to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment (labeled Attachment A). For redevelopment projects beginning in or after FY 2022, were there any amendments, enactments or extensions to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment, enactment or extension, and a copy of the redevelopment plan (labeled Attachment A).	x	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification (labeled Attachment B).		x
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion (labeled Attachment C).		x
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement (labeled Attachment D).	x	
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) (labeled Attachment E).		x
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F).	x	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).	x	
Were there any reports <u>submitted to</u> the municipality <u>by</u> the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report (labeled Attachment H).	x	
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J).	x	
An analysis prepared by a financial advisor or underwriter, chosen by the municipality , setting forth the nature and term of obligation; projected debt service including required reserves and debt coverage; and actual debt service . [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter <u>MUST</u> be attached (labeled Attachment J).	x	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose audited financial statements of the special tax allocation fund (labeled Attachment K).		x
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).		x
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose the list only, not actual agreements (labeled Attachment M).	x	
For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N).	x	

SECTION 3.1 [65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d)) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d)]

FY 2023

Name of Redevelopment Project Area:

Jumers/Parkway-I280

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ 1,621,723

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 2,292,358	\$ 31,609,140	99%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 93,534	\$ 212,506	1%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources	\$ 371		0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

All Amount Deposited in Special Tax Allocation Fund \$ 2,386,263

Cumulative Total Revenues/Cash Receipts \$ 31,821,646 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 1,755,932

Transfers to Municipal Sources

Distribution of Surplus 564,261

Total Expenditures/Disbursements \$ 2,320,193

Net/Income/Cash Receipts Over/(Under) Cash Disbursements \$ 66,070

Previous Year Adjustment (Explain Below)

FUND BALANCE, END OF REPORTING PERIOD* \$ 1,687,793

* If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

Previous Year Explanation:

FY 2023

Jumers/Parkway-I280

PAGE 1

[illegible]

PAGE 2

[illegible]

SECTION 3.2 A

PAGE 3

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 1,755,932

Section 3.2 B [Information in the following section is not required by law, but may be helpful in creating fiscal transparency.]

FY 2023

Name of Redevelopment Project Area:

Jumers/Parkway-I280

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

[illegible]

FY 2023

Jumers/Parkway-I280

FUND BALANCE BY SOURCE

\$	1,687,793
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1. Description of Debt Obligations	Amount of Original Issuance	Amount Designated
Total Amount Designated for Obligations	\$ -	\$ -

2. Description of Project Costs to be Paid	Amount of Original Issuance	Amount Designated
Bally's Sportsbook and Hotel Refresh		\$ 3,040,395
Total Amount Designated for Project Costs		\$ 3,040,395

TOTAL AMOUNT DESIGNATED	\$ 3,040,395
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SURPLUS/(DEFICIT)	\$ (1,352,602)
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SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2023

Name of Redevelopment Project Area:

Jumers/Parkway-I280

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

x	Indicate an 'X' if no property was acquired by the municipality within the redevelopment project area.
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Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (5):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (6):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (7):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2023

Name of Redevelopment Project Area:

Jumers/Parkway-I280

PAGE 1

Page 1 MUST be included with TIF report. Pages 2 and 3 are to be included ONLY if projects are listed.

Select ONE of the following by indicating an 'X':

1. <u>NO</u> projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The municipality <u>DID</u> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a and 2b.)	x
2a. The total number of <u>ALL</u> activities undertaken in furtherance of the objectives of the redevelopment plan:	2
2b. The total number of NEW projects undertaken by the municipality in fiscal year 2022 and any fiscal year thereafter, within the Redevelopment Project area, if any.	1

LIST ALL projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ 96,500,000	\$ 4,000,000	\$ 105,083,418
Public Investment Undertaken	\$ 19,029,854	\$ 1,605,735	\$ 22,070,249
Ratio of Private/Public Investment	5 1/14		4 67/88

Project 1 Name: Jumers Casino and Hotel

Private Investment Undertaken (See Instructions)	\$ 92,500,000	\$ -	\$ 92,500,000
Public Investment Undertaken	\$ 17,311,636	\$ -	\$ 17,311,636
Ratio of Private/Public Investment	5 23/67		5 23/67

Project 2 Name: Bally's Sportsbook and Hotel Refresh

Private Investment Undertaken (See Instructions)	\$ 4,000,000	\$ 4,000,000	\$ 12,583,418
Public Investment Undertaken	\$ 1,718,218	\$ 1,605,735.00	\$ 4,758,613
Ratio of Private/Public Investment	2 20/61		2 29/45

Project 3 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6 Name:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

SECTIONS 6.2, 6.3, and 6.4 are required by law, if applicable. (65 ILCS 5/11-74.4-5(d))]

Name of Redevelopment Project Area:

SECTION 6.1-For redevelopment projects beginning before FY 2022, complete the following information about job creation and retention.

Number of Jobs Retained	Number of Jobs Created	Job Description and Type (Temporary or Permanent)	Total Salaries Paid
			\$

Project Name	The number of jobs, if any, projected to be created at the time of approval of the redevelopment agreement.		The number of jobs, if any, created as a result of the development to date, for the reporting period, under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement.	
	Temporary	Permanent	Temporary	Permanent
Bally's Sportsbook and Hotel Refresh		80		37

Project Name	The amount of increment projected to be created at the time of approval of the redevelopment agreement.	The amount of increment created as a result of the development to date, for the reporting period, using the same assumptions as was used for the projections used at the time of the approval of the redevelopment agreement.
Bally's Sportsbook and Hotel Refresh	unknown	unknown

Project Name	Stated Rate of Return
Bally's Sportsbook and Hotel Refresh	4.22

SECTION 7 [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2023

Name of Redevelopment Project Area:

Jumers/Parkway-I280

Provide a general description of the redevelopment project area using only major boundaries.

Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	

FY 2023

Jumers/Parkway-I280

Year of Designation	Base EAV	Reporting Fiscal Year EAV
2004	\$ 163,237	24,300,411

Indicate an 'X' if the overlapping taxing districts did not receive a surplus.

[illegible]



ROCK ISLAND
ILLINOIS

Mayor Mike Thoms

July 12, 2024

Local Government Division
Office of the Comptroller
100 W. Randolph, Suite 15-500
Chicago, IL 60601

RE: City of Rock Island Annual Tax Increment Finance Reports

I, Mike Thoms, the duly elected Mayor of the City of Rock Island, Illinois, hereby certify that to the best of my knowledge the City of Rock Island has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act during the municipal fiscal year of January 1, 2023 through December 31, 2023.

Sincerely,

Mike Thoms
Mayor

cc: Tarah Sipes, Economic Development Manager

Attachment B

August 6, 2024

Susana A. Mendoza, State Comptroller
State of Illinois Building
100 West Randolph Street
Suite 15-500
Chicago, Illinois 60601

Dear Ms. Mendoza,

I have acted as Special Counsel for the City of Rock Island, Rock Island County, Illinois, in connection with the administration of the Jumers-Parkway/I-280 Tax Increment Redevelopment Project Area.

I have reviewed all of the information provided to me by the City's Economic Development Manager, and to the best of my knowledge and belief find that the City has conformed with all of the applicable provisions of the *Tax Increment Allocation Redevelopment Act*, 60 ILCS 5/11-74.4-1, *et seq.*, for the fiscal year ending December 31, 2023.

Sincerely,

OTTOSEN, DINOLFO, HASENBALG & CASTALDO, LTD.



MEGAN LAMB

ATTACHMENT C

Attachment E

REDEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF ROCK ISLAND, ROCK ISLAND COUNTY, ILLINOIS AND THE ROCK ISLAND BOATWORKS, INC.

THIS REDEVELOPMENT AGREEMENT ("Agreement") is entered into as of the 27 day of April, 2023 ("Effective Date"), by and between the City of Rock Island, Rock Island County, Illinois, a home rule municipality of the State of Illinois ("City") and The Rock Island Boatworks, LLC, a limited liability company of the State of Illinois (the "Developer"). The City and the Developer sometimes are referred to individually as a "Party" and collectively as the "Parties".

In consideration of the mutual covenants and agreements set forth in this Agreement, the City and Developer hereby agree as follows:

ARTICLE 1: RECITALS

1.1 The City is engaged in the reconstruction and the revitalization of certain commercial properties in an area which is known as the Parkway/I-280 Redevelopment Project Area as hereinafter defined.

1.2 The City has the authority pursuant to the laws of the State of Illinois, to promote the health, safety, and welfare of its inhabitants, to prevent the spread of blight, to encourage private development in order to enhance the local tax base, to increase job opportunities, and to enter into contractual agreements with third parties for the purpose of achieving these purposes.

1.3 Pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, *et seq.*, as from time to time amended (the "TIF Act"), the Mayor and City Council of the City (collectively, the "Corporate Authorities") are empowered to undertake the redevelopment of a designated area within its municipal limits in which existing conditions permit such area to be classified as a "blighted area", or a "conservation area" as such terms are defined in the TIF Act.

1.4 To stimulate and induce redevelopment pursuant to the TIF Act, the Corporate Authorities, after giving all required notices, conducting a public hearing and making all findings required by law, on the 22nd day of November, 2004, pursuant to Ordinance Nos. 53-00, 54-00, and 55-00 approved a Redevelopment Plan and Project (the "Redevelopment Plan") for an area designated as the Parkway/I-280 Redevelopment Project Area (the "Project Area") and adopted tax increment financing for the payment and financing of "Redevelopment Project Costs" (as hereinafter defined in Article 2) incurred within the Project Area as authorized by the TIF Act.

1.5 Pursuant to the TIF Act, the City entered into a Development Agreement (the "Original Agreement") in 2004 with The Rock Island Boatworks, LLC owned and controlled by investors other than the current owners (the "Original Developer"), the purpose of which was to induce the Original Developer to develop 118.32 acres (the "Project Site") with a gaming facility, lodging and related entertainment and commercial facilities (the "Project") d/b/a Jumers Casino, which Project was completed and in full operation in 2007.

1.6 In June of 2021, the Developer acquired the Project Site and the assets of the Original Developer corporation thereby retaining the name of the Original Developer but d/b/a Bally's Quad Cities Casino & Hotel (the "*Business*") and also was assigned the Original Agreement.

1.7 The Developer has now submitted a proposal to the City to rehabilitate the general facilities and grounds through a variety of capital projects including both an area of the existing facility into a sports book and sports lounge and to renovate and refurbish all of the hotel rooms (collectively, the "*New Project*") resulting in a total investment of \$34,000,000 by the Developer into the Project Site including the cost of acquisition.

1.8 The Developer has advised the City that it is not economically feasible for the Developer to undertake the New Project without financial assistance and the City is prepared to financially assist the Developer in an amount not to exceed a portion of the eligible Redevelopment Project Costs for the New Project (which is estimated to be \$12,583,418) in order to induce the Developer to construct and complete the New Project.

1.9 The City desires the Developer to proceed with the New Project in accordance with this Agreement in order to guarantee the continuing operation of a major commercial facility thereby maintaining and increasing job opportunity for its resident and increasing its tax base and, therefore, is prepared to reimburse the Developer for certain eligible Redevelopment Project Costs, subject to the terms of this Agreement, the TIF Act and all other applicable provisions of law.

ARTICLE 2: DEVELOPER'S OBLIGATIONS

2.1 The Developer agrees to obtain any approvals and all permits as required from the City to construct the New Project in accordance with all applicable codes and ordinances of the City. All projects are subject to approval from the Illinois Gaming Board, as required.

2.2 On or before December 1, 2023, and including projects which predate this Agreement, the Developer shall have completed a number of capital projects relating to rehabilitation of the general grounds and facilities and including construction of the sports book and sports lounge (the "*Sportsbook*") and have commenced operation and agrees to continue the operation of the Sportsbook without interruption during the term of this Agreement.

2.3 On or before December 1, 2023, the Developer shall certify to the City the total number of employees at the Project Site and the net increase of the number of employees from the date of its acquisition of the Project Site. The Developer further agrees to annually certify the number of employees working at the Project Site each December 1 during the term of this Agreement. It is understood and agreed that the failure to annually certify the number of employees at the Project Site shall constitute a breach of this Agreement authorizing the City to take any and all action as provided in Article 5 hereof.

2.4 On or before December 1, 2023, the Developer shall have commenced the rehabilitation and renovation of all 205 hotel rooms and continue such rehabilitation and renovation until all 205 hotel rooms have been renovated (the "*Hotel Project*").

2.5 On or before December 1, 2023, the Developer shall submit to the City all paid bills and paid receipts evidencing the costs insured in connection with the New Project as of that

date. The Developer further agrees to annually submit to the City all additional paid bills and other receipts evidencing costs incurred (and not previously submitted to the City) in connection with the Hotel Project.

2.6 On or before December 1, 2026, the Developer shall have submitted to the City evidence of expenditures in the amount of \$12,583,418 or more for eligible Redevelopment Project Costs.

2.7 For purposes of this Agreement "Redevelopment Project Costs" shall mean and include all costs and expenses defined as "Redevelopment Project Costs" in Section 11-74.4-3(q) of the TIF Act.

ARTICLE 3: CITY'S OBLIGATION'S

3.1 The City has established a Special Tax Allocation Fund (the "*STAF Account*") into which the City annually deposits all "Incremental Taxes", as hereinafter defined, derived from the Project Area. For purposes of this Agreement, "Incremental Taxes" shall mean the amount in the STAF Account equal to the amount of ad valorem taxes, if any, paid in respect of the Project Area which are attributable to the increase in the equalized assessed value of the Project Area and its improvements over the initial equalized assessed value of the Project Area as of the date of the adoption of Ordinances No. 53-00, 54-00, 55-00 adopting tax increment financing pursuant to the TIF Act. The City shall make certain payments to the Developer from the STAF Account as provided in Article 4.

3.2 THE CITY'S OBLIGATION TO REIMBURSE THE DEVELOPER UNDER THIS AGREEMENT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM INCREMENTAL TAXES DEPOSITED IN THE STAF ACCOUNT AND SHALL NOT BE SECURED BY THE FULL FAITH AND CREDIT OF THE CITY. THE CITY WARRANTS THERE ARE NO OTHER PRESENT OBLIGATIONS TO THIS STAF ACCOUNT.

ARTICLE 4: REIMBURSEMENT TO THE DEVELOPER

4.1 The City hereby agrees to reimburse the Developer \$4,758,613 for eligible Redevelopment Project Costs from the percentages of Incremental Taxes as set forth in Section 4.2 hereof so long as no event described in Article 5 has occurred for which notice has been issued and remains outstanding, but only upon satisfaction of the following:

- (a) General facility and grounds rehabilitation and completion of the Sportsbook and commencement of its operation on or before December 1, 2023; and,
- (b) Additional general facility and grounds rehabilitation and commencement and continuation of the Hotel Project until completion and satisfaction of all of the Developer's obligations under Article 2, on an annual basis where applicable.

4.2 Reimbursements to the Developer shall be made as follows:

<i>Date</i>	<i>Percentage of Incremental Taxes Deposited into the STAF</i>
December 15, 2023	75%

December 15, 2024	65%
December 15, 2025	45%
December 15, 2026	20%
December 15, 2027	\$4,758,613 less the amount paid to date

ARTICLE 5: ENFORCEMENT AND REMEDIES

5.1 The City may seek to enforce or compel the performance of this Agreement, in law or in equity, by suit, action, mandamus, or any other proceeding, including specific performance. Notwithstanding the foregoing, the Developer agrees that it will not seek, and does not have the right to seek, to recover a judgment for monetary damages against the City or any elected or appointed officials, officers, employees, agents, representatives, engineers, consultants, or attorneys thereof, on account of the negotiation, execution, or breach of any of the terms and conditions of this Agreement other than payments due to the Developer under Article 4 hereof.

5.2 In the event of a breach of this Agreement, the City agrees that the Developer shall have thirty (30) days after notice of any breach delivered in accordance with Article 8 hereof to correct such breach prior to the Party's pursuit of any remedy provided for in Section 5.3; provided, the alleged default is reasonably susceptible to being cured within the 30-day period; the Developer has promptly initiated the cure of the default; and, the Developer diligently and continuously pursues the cure of the breach until its completion. If the Developer fails to cure the default, the City shall have the right (but not the obligation) to take any action as in its discretion and judgment shall be deemed necessary to cure the default. In any event, the Developer hereby agrees to pay the City for all costs and expenses reasonably incurred by it in connection with any action taken to cure the default.

5.3 Any of the following events or circumstances shall be an event of default by Developer with respect to this Agreement:

- (a) If any material representation made by Developer in this Agreement, or in any certificate; notice, demand to the City; or request made by the City in connection with any of documents, shall prove to be untrue or incorrect in any material respect as of the date made.
- (b) Developer's default in the performance or breach of any material covenant, warranty, or obligation contained in this Agreement.
- (c) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency, or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official of Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order un-stayed

and in effect for a period of 60 consecutive days. There shall be no cure period for this event of default.

- (d) The commencement by Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency, or other similar law, or the consent by Developer to the appointment of or taking possession, by a receiver, liquidator, assignee, trustee, custodian, sequestrator, or similar official of Developer or of any substantial part of Developer's property, or the making by any such entity of any assignment for the benefit of creditors or the failure of Developer generally to pay such entity's debts as such debts become due or the taking of action by Developer in furtherance of any of the foregoing. There shall be no cure period for this event of default.
- (e) Developer's failure to pay all permit fees, fines, taxes (including real estate taxes), licenses, water bill or any other amount due and owing to the City.
- (f) The Developer ceases to continue the full operation of the Business at the Project Site.

5.4 In the event of default by the Developer, the City may:

- (a) Subject to the provisions of this Agreement, in the case of an event of default by Developer, the City, pursuant to this Section 5.3, may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default or breach, including proceedings to compel specific performance of Developer of its obligations under this Agreement.
- (b) In case the City shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the City, then, and in every such case, Developer and the City shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of Developer and the City shall continue as though no such proceedings had been taken.

5.5. In the event the City defaults in performance of any material covenant, representation or obligation set forth in this Agreement, the Developer shall provide the City with a written statement setting for the default. The Developer may not exercise any remedies against the City in connection with such failure until thirty (30) days after giving such notice. If such default cannot be cured with such thirty (30) day period, additional thirty (30) day periods may be extended to the City by mutual agreement of the parties so long as the City is diligently proceeding to cure the default. A default not cured as provided above shall constitute a breach of this Agreement. Any failure or delay by the Developer in asserting any of its rights or remedies as to any default shall not operate as a waiver of any such default or of any rights or remedies it may have as a result of such default. The sole remedy of the Developer in the event of a breach of this Agreement by

the City shall be to institute legal action for specific performance or injunctive relief against the City. In the event Developer prevails in any such action, it shall be entitled to recover from the City all reasonable attorney fees, costs, and expenses incurred therein.

ARTICLE 6: MUTUAL UNDERSTANDINGS

6.1 The Developer agrees to indemnify the City, and all of its elected and appointed officials, officers, employees, agents, representatives, engineers, consultants, and attorneys, against any and all claims that may be asserted at any time against any of such persons in connection with or as a result of (i) the Developer's development, construction, maintenance, or use of the Project (ii) Developer's default under the provisions of this Agreement. Such indemnification obligation, however, shall not extend to claims asserted against the City or any of the aforesaid persons in connection with or as a result of: (i) the performance of the City's obligations under this Agreement; or, (ii) the act, omission, negligence or misconduct of the City or any of the aforesaid persons. If the Developer shall commit an event of default and the City should employ an attorney or attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer, on the City's demand, shall pay to the City the reasonable fees of such attorneys and such other reasonable expenses so incurred by the City.

6.2 Developer shall maintain the Project Site in reasonably good and clean condition at all times during the construction of the Project by the Developer.

6.3 The Developer acknowledges and agrees that (i) the City is not, and shall not be, in any way liable for any damages or injuries that may be sustained as the result of the City's review and approval of any plans or improvements or as a result of the issuance of any approvals, permits, certificates, or acceptances for the development or use of any portion of the Subject Property or the improvements and (ii) the City's review and approval of any plans and the issuance of any approvals, permits, certificates, or acceptances does not, and shall not, in any way be deemed to insure Developer, or any of its successors, assigns, tenants, or licensees, or any third Party, against violations or damage or injury of any kind at any time. In addition:

- (a) The Developer shall hold harmless the City, and all of its elected and appointed officials, employees, agents, representatives, engineers, consultants, and attorneys from any and all claims that may be asserted at any time against any of such Parties in connection with (i) the City's review and approval of any plans or improvements; or, (ii) the City's issuance of any approval, permit or certificate. The foregoing provision, however, shall not apply to claims made against the City as a result of a City event of default under this Agreement and claims that the City, either pursuant to the terms of this Agreement or otherwise explicitly has agreed to assume.

- (b) Developer shall pay all expenses, including reasonable legal fees and administrative expenses, incurred by the City in defending itself with regard to any and all of the claims identified in the first sentence of Subsection (a) above.

6.4 Time is of the essence in the performance of all terms and provisions of this Agreement. However, the time for a Party's performance of any obligation hereunder shall be extended on a day-for-day basis by reason of Force Majeure, as hereinafter provided, and the time for performance of any obligation hereunder the Developer may be extended without having to amend this Agreement. The Parties shall cooperate with one another on an ongoing basis and make every reasonable effort (including, with respect to the City, the convening of meetings and, when necessary, public hearings, within reasonable periods, and the adoption of ordinances) to further the implementation of the provisions of this Agreement and the intentions of the Parties as reflected by those Provisions. The Developer agrees to execute such application and other documents and to otherwise cooperate as may be necessary, proper and appropriate to obtain approvals and authorizations from other government and administrative entities. Whenever a Party is required to obtain the approval or consent of the other Party, or of any of its employees, agents, or attorneys, under the provisions of this Agreement, such approval or consent shall not be unreasonably withheld or delayed.

6.5 Notwithstanding that time is of the essence; provided a party shall not be deemed in material default of this Agreement with respect to any obligations of this Agreement, except for the obligation to make payments hereunder, on such Party's part to be performed if such Party fails to timely perform the same and such failure is due in whole or in part to any civil disorder, inability to procure materials, weather conditions, wet soil conditions, failure or interruptions of power, restrictive governmental laws and regulations, condemnations, riots, insurrections, war, fuel shortages, accidents, casualties, floods, earthquakes, fires, acts of God, epidemics, quarantine restrictions, freight embargoes, acts caused directly or indirectly by the other Party (or the other Party's agents, employees or invitees) or similar causes beyond the reasonable control of such Party ("Force Majeure"). If one of the foregoing events shall occur or either Party shall claim that such an event shall have occurred, the Party to whom such claim is made shall investigate the same and consult with the Party making such claim regarding the same and the Party to whom such claim is made shall grant any extension for the performance of the unsatisfied obligation equal to the period of the delay, which period shall commence to run from the time of the commencement of the Force Majeure; provided that the failure of performance was reasonably caused by such Force Majeure.

6.6 The Developer may not assign its rights or obligations under this Agreement without the express written consent of the City, which consent shall not be unreasonably withheld.

6.7 The Developer shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. To the fullest extent permitted by law, the Developer shall take affirmative action to require that applicants are employed and that employees are treated during employment, without regard to their race, creed, color, religion, sex or national origin. There shall be no discrimination against or segregation of any person or group of persons on account of sex, race, color, creed, national origin or ancestry in the construction of the Project. Neither the Developer nor any person claiming under or through the Developer shall establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or

vendees of any portion of the Subject Property.

ARTICLE 7. TERM

This Agreement shall be in full force and effect upon its execution by the Parties and terminate upon the first to occur: (i) receipt by the Developer of \$4,758,613 for eligible Redevelopment Project Costs pursuant to this Agreement; or, (ii) December 31, 2028 (the “Term”).

ARTICLE 8. NOTICES

8.1 All notices and other communications in connection with this Agreement shall be in writing and shall be deemed delivered to the addressee thereof (a) when delivered in person on a business day at the address set forth below, or (b) on the third business day after being deposited in any main or branch United States post office, for delivery by properly addressed, postage prepaid, certified or registered mail, return receipt requested, at the address set forth below, or (c) by facsimile or email transmission, when transmitted to either the facsimile telephone number or email address set forth below, when actually received.

Notices and communications to Developer shall be addressed to, and delivered at, the following addresses:

Bally’s Quad Cities
777 Bally Blvd.
Rock Island, Illinois 61201

With a copy to:

John S. Callas
McCarthy, Callas & Feeney, P.C.
329 18th Street
Rock Island, Illinois 61201

Notices and communications to the City shall be addressed to and delivered at these addresses:

City of Rock Island
1528 Third Avenue
Rock Island, Illinois 61201
Attn: City Manager

With a copy to:

Kathleen Field Orr
2024 Hickory Road
Suite 205
Homewood, Illinois 60430

By notice complying with the requirements of this Section, each Party shall have the right to change the address or addressee, or both, for all future notices and communications to such Party, but no notice of a change of address or addressee shall be effective until actually received.

8.2 No modification, addition, deletion, revision, alteration, amendment or other change to this Agreement shall be effective unless and until the change is reduced to writing and executed and delivered by the City and the Developer. No term or condition of this Agreement shall be deemed waived by any Party unless the term or condition to be waived, the circumstances giving rise to the waiver and, where applicable, the conditions and limitations on the waiver are set forth specifically in a duly authorized and written waiver of such Party. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition of this Agreement, nor shall waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or different provisions of this Agreement.

8.3 No claim as a third Party beneficiary under this Agreement by any person, firm, or corporation shall be made, or be valid, against the City or Developer.

8.4 This Agreement shall constitute the entire agreement of the Parties; all prior agreements between the Parties, whether written or oral, are merged into this Agreement and shall be of no force and effect.

8.5 This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers on the above date at Rock Island, Illinois.

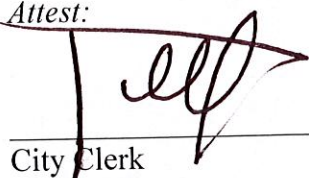
City of Rock Island, an Illinois municipal corporation

By:



City Manager

Attest:



City Clerk

The Rock Island Boatworks, LLC

By:



President

Attest:

Secretary

CITY OF ROCK ISLAND, ILLINOIS
TAX INCREMENT FINANCING DISTRICT - JUMERS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes				
Property Taxes	\$ 2,285,063	2,285,063	2,292,358	7,295
Interest	4,053	4,053	93,534	89,481
Total Revenues	2,289,116	2,289,116	2,385,892	96,776
Expenditures				
General Government				
Personnel	43,161	43,532	33,610	9,922
Services	677,000	677,000	568,366	108,634
Other	2,380,000	2,380,000	1,718,218	661,782
Total Expenditures	3,100,161	3,100,532	2,320,194	780,338
Excess (Deficiency) of Revenues Over (Under) Expenditures	(811,045)	(811,416)	65,698	877,114
Other Financing Sources				
Transfers In	—	371	371	—
Net Change in Fund Balance	(811,045)	(811,045)	66,069	877,114
Fund Balance - Beginning			1,621,723	
Fund Balance - Ending			1,687,792	

Attachment K



INDEPENDENT AUDITORS' REPORT

June 17, 2024

The Honorable City Mayor
Members of the City Council
City of Rock Island, Illinois

We have audited the basic financial statements of the Tax Increment Financing District of the City of Rock Island, Illinois, as of and for the year ended December 31, 2023, and have issued our report thereon dated June 17, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance with laws, regulations, contracts, and grants applicable to tax increment financing districts is the responsibility of the City of Rock Island, Illinois' management. In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing," insofar as it relates to accounting matters for the Tax Increment Financing District, however, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP