

**MEMORANDUM OF AGREEMENT
BETWEEN THE CITY OF ROCKFORD
AND THE
ILLINOIS HISTORIC PRESERVATION AGENCY
REGARDING THE
DISPOSITION OF THE ZIOCK BUILDING,
416 SOUTH MAIN STREET
ROCKFORD ILLINOIS**

WHEREAS the City of Rockford (CITY) has used Community Development Block Grant (CDBG) funds to purchase 416 South Main Street and wishes to use CDBG funds to demolish the structure at 416 South Main Street (such structure hereinafter "Ziock Building", and the property generally, "Property"); and

WHEREAS the undertaking may involve demolition of the Ziock Building which has been listed on the National Register of Historic Places; and

WHEREAS the U.S. Department of Housing and Urban Development has delegated to the CITY its responsibility for seeking the comments of the Advisory Council on Historic Preservation (ACHP) pursuant to the Housing and Community Development Act of 1977 and Section 106 of the National Historic Preservation Act of 1966 (NHPA), as amended; and

WHEREAS the CITY, in consultation with the Illinois State Historic Preservation Officer (SHPO), has established the Area of Potential Effect, as defined in 36 CFR §800.16(d), the Ziock Building and the property; and

WHEREAS the SHPO has determined that demolition of the Ziock Building would constitute an adverse effect as defined in 36 CFR part 800, of the regulations implementing Section 106 of the National Historic Preservation Act (16 USC §470f); and

WHEREAS the CITY has notified the ACHP of its adverse effect determination with specified documentation and the ACHP has chosen not to participate in the consultation pursuant to 36 CFR §800.6(a)(1)(iii); and

WHEREAS a community organization, Friends of Ziock (FOZ) successfully nominated the Ziock Building for placement on the National Register of Historic Places, FOZ has substantial knowledge about the Ziock Building and has resources and persons essential to the marketing of the Ziock Building, developing financial projections utilizing all available federal and state resources, including but not limited to, federal and state historic rehabilitation and new markets tax credits, and FOZ wishes to provide assistance and consultation in the marketing of the Ziock Building.

NOW, THEREFORE, the CITY and the SHPO agree that, upon acceptance of this Memorandum of Agreement (MOA), the CITY shall ensure that the following stipulations are implemented in order to take into account the effect of the undertaking on this historic property.

STIPULATIONS

The CITY will ensure that the following measures are carried out:

I. MITIGATION

- A. The City, in consultation with the Illinois Historic Preservation Agency (IHPA), shall market the Ziock Building for a period of twelve (12) months with the provision for a preservation covenant (Attached as Appendix A). Such time period shall commence with the formal issuance of a marketing and development plan for the property. Should an acceptable buyer be found that is willing to accept the preservation covenant within a shorter time than 12 months, the marketing period may cease.
- B. During this time period, the City shall not consider offers for the property which contemplate demolition of the property. Neither shall the City seek any state or federal funding for demolition of any of the property.
- C. Should an acceptable developer be found within the 12 months but the financial package is not complete, the City shall continue discussions toward completion of the sale for an additional period of six months. However, during this time, the City may commence the required Illinois Historic American Building Survey (IL HABS) documentation.
- D. As owner of the property, the CITY, in consultation with the IHPA and FOZ shall prepare a marketing and development plan for the property, which shall include the following elements:

FINANCIAL TOOLS AVAILABLE FOR REDEVELOPMENT

- 1. Availability of State and Federal Historic Tax Credits of 25% and 20%, respectively, of qualified hard and soft construction costs;
- 2. Availability of New market Tax Credits;
- 3. Availability of TIF funding with clear definition of terms and requirements;
- 4. Availability of Brownfield redevelopment funds with required application forms;
- 5. Availability of CDBG funds that could be used for redevelopment rather than demolition;
- 6. Availability of the completed Hotel Market study for downtown;

PHYSICAL ATTRIBUTES OF THE PROPERTY

- 1. Exterior and interior photographs of the property;
- 2. Location map and parcel map;
- 3. Information on the property's architectural and historic significance;
- 4. City statement declaring intention to make the building safe from falling debris and definition of action to be taken and timeline for completion.
- 5. City is committed to make South Main St. a two-way thoroughfare and to improve access to the Property
- 6. City is committed to making adequate and sufficient parking available to the project

MARKETING STRATEGY

1. A distribution list of potential purchasers, developers or transferees;
 2. A distribution list of potential users;
 3. An advertising plan and schedule;
 4. Program informational web site
 5. A schedule for receiving and reviewing offers.
 6. Notification of restrictions on the development of the Property and Ziock Building and any restrictive covenants to which the Property sale or transfer would be subject.
 7. Legal disclaimers regarding the information and materials provided.
- E. The CITY shall review all reasonable offers in consultation with IHPA prior to acceptance of any specific offer. However, IHPA agrees that the CITY shall not be required to accept any offer or proposal that cannot meet the financial requirements set forth in its Request for Proposals (RFP) package, or any proposal that would result in an adverse effect on the property. The City and IHPA will consider the comments of the FOZ in reviewing offers.
- F. If after the 12 month marketing period, there are no acceptable proposals submitted, the CITY shall notify IHPA with documentation of its marketing efforts and may move forward with the disposal of the property without a preservation covenant, subject to the recordation of the property as outlined in the following paragraphs.
- G. Before demolition may occur, the CITY will ensure that the property is documented in accordance with IL HABS Standards and Guidelines. The general scope of work for the required IL HABS documentation is as follows:
1. Level III documentation will be required.
 2. Reproduction of available original drawings or sketch floor plans, on 24" x 36" IL HABS template Mylar, forwarded by properly formatted IL HABS drawings Title Sheet.
 3. Digital 5" x 7" print photographs of exterior facades, significant interior spaces, and distinctive exterior and interior architectural features of the property.
 4. Written architectural description of the Ziock Building using the IL HABS/IL HAER designated outline format.
 5. Written contextual histories associated with the property in narrative form and inserted in the appropriate section of the IL HABS/HAER format.
 6. The CITY will award the IL HABS documentation project to a consultant of its choice, provided the consultant is qualified to perform the work and agrees to meet IL HABS/HAER Standards.
- H. IHPA will review the required IL HABS/HAER Documentation submittals, and accept or reject the 100% submittal in accordance with IL HABS/HAER Standards.
- I. After IHPA acceptance, completed IL HABS/HAER Documentation will be deposited within the archives section of the Abraham Lincoln Presidential Library. IHPA requires that one standard and one gold CD of accepted documentation be provided for repository use.

- J. No demolition of the property will be undertaken until the 100% IL HABS/HAER documentation has been accepted in writing by IHPA.
- K. Upon satisfactory compliance with the terms of this MOA, IHPA shall, within thirty (30) days after receipt of the last criterion for approval, issue written authorization to proceed with the demolition of the property. If, within thirty (30) days of the last submission of any criterion for approval required by this MOA, IHPA has not issued the CITY any reason in writing that falls within the specified scope, requirements and limits of this MOA, IHPA agrees that the CITY has fully complied with all state historic preservation laws pertaining to the demolition of the property.

II. DISPUTE RESOLUTION

Should any signatory to this MOA object at any time to any actions proposed or the manner in which the terms of this MOA are implemented, the CITY shall consult with IHPA to resolve the objection. If the CITY determines that such objection cannot be resolved, the CITY will:

- A. Forward all documentation relevant to the dispute, including the CITY's proposed resolution, to the ACHP. The ACHP shall provide the CITY with its advice on the resolution of the objection within thirty (30) days of receiving adequate documentation. Prior to reaching a final decision on the dispute, the CITY shall prepare a written response that takes into account any timely advice or comments regarding the dispute from the ACHP, signatories and concurring parties, and provide them with a copy of this written response. The CITY will then proceed according to its final decision.
- B. If the ACHP does not provide its advice regarding the dispute within the thirty (30) day time period, the CITY may make a final decision on the dispute and proceed accordingly. Prior to reaching such a final decision, the CITY shall prepare a written response that takes into account any timely comments regarding the dispute from the signatories and concurring parties to the MOA and provide them and the ACHP with a copy of such written response.
- C. It is the CITY's responsibility to carry out all other actions subject to the terms of this MOA, including the cooperative marketing agreement with FOZ as stipulated, that are not the subject of the dispute and remain unchanged.

III. PROFESSIONAL QUALIFICATIONS

The CITY shall ensure that all historic preservation work carried out pursuant to the MOA is carried out by or under the supervision of a person or persons meeting, at a minimum, the *Secretary of the Interior's Professional Qualifications Standards* in the field of architectural history, as published in 36 CFR Part 61.

IV. AMENDMENTS

This MOA may be amended when such an amendment is agreed to in writing by all signatories. The amendment will be effective on the date the CITY files a copy signed by all of the signatories with the ACHP.

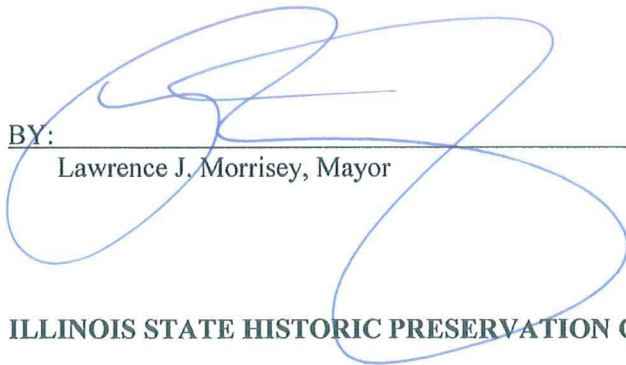
V. TERMINATION

If any signatory to this MOA determines that its terms will not or cannot be carried out, that party shall immediately consult with the other parties to attempt to develop an amendment per Paragraph VI above. If within thirty (30) days (or another time period agreed to by the signatories) an amendment cannot be reached, any signatory may terminate the MOA upon written notification to the other signatories.

Once the MOA is terminated, and prior to work continuing on the undertaking, the CITY must either (a) execute an MOA pursuant to 36 CFR §800.6 or (b) request, take into account, and respond to the comments of the ACHP under 36 CFR §800.7. The CITY shall notify the signatories as to the course of action it will pursue.

Execution of the MOA by the CITY and the SHPO, and implementation of its terms, evidences that the CITY has complied with Section 106 of the NHPA on the proposed demolition of the Ziock Building, and that the CITY has taken into account the effects of this project on these historic properties.

CITY OF ROCKFORD

BY:  _____ Date: 3/5/12
Lawrence J. Morrissey, Mayor

ILLINOIS STATE HISTORIC PRESERVATION OFFICER

BY:  _____ Date: 1.13.12
Anne E. Haaker, Deputy State Historic Preservation Officer

FRIENDS OF ZIOCK

BY:  _____ Date: 3/2/2012
ORGANIZER

Rockford, Illinois

Date: March 5, 2012

ZIOCK BUILDING RESOLUTION

2012-014R

By Alderman Karen Elyea, on behalf of the Planning & Development Committee:

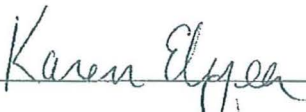
BE IT RESOLVED, by the Council of the City of Rockford, Illinois, that the City approve a Memorandum of Agreement between the City of Rockford and the Illinois Historic Preservation Agency regarding the disposition of the Ziock Building, located at 416 South Main Street in the City of Rockford, Winnebago County, Illinois.

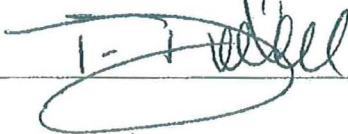
BE IT FURTHER RESOLVED:


That the City enter into the attached Memorandum of Agreement with the Illinois Historic Preservation Agency regarding the disposition of the Ziock Building, located at 416 South Main Street in the City of Rockford, Winnebago County, Illinois.

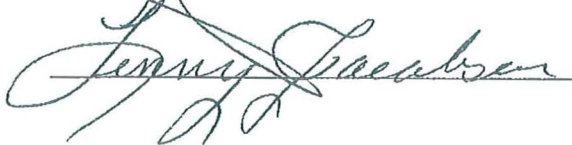
BE IT FURTHER RESOLVED, that the Mayor and the Legal Director are hereby authorized to execute the Memorandum of Agreement and transmit two (2) certified copies of this Resolution, along with the executed Memorandum of Agreement, to the office of the Illinois Historic Preservation Agency at Springfield, Illinois.

Respectfully submitted,










ADOPTED by the city Council of the city of Rockford this 5th day of March, 2012.

APPROVED by the Mayor of the city of Rockford this 5th day of March, 2012.


Lawrence J. Morrissey, Mayor

(SEAL)

ATTEST:


Patrick W. Hayes, Legal Director and
Ex Officio Clerk of the City of Rockford

Ayes: Durkee, Curran, Mark, Wasco, Jacobson, Thompson-Kelly, Johnson,
Timm, Beach, Elyea, Beck, McNely, Robertson -13-

Nays: -0-

Absent: Hervey -1-

Agreement between the City of Rockford
And the Friends of Ziock for Marketing of the Ziock Building

On this 5th day of ~~January~~^{March}, 2012, the City of Rockford ("City") and Friends of Ziock ("FOZ") agree as follows for this Agreement for Marketing of the Ziock Building ("Agreement"):

Whereas the City and FOZ have recognized the need to lay out ground rules and responsibilities for marketing of the Ziock Building, and

Whereas the City and FOZ have jointly prepared a Marketing Plan and Process which identifies the steps to be conducted jointly or by each party to market the Ziock property once the Section 106 MOA and RFP are approved by all parties and ready for release,

And

Whereas the parties wish to provide for FOZ's participation in the active marketing of the Ziock Building and a seat on the Proposal Review Panel,

NOW, THEREFORE, in consideration of the mutual promises herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, IT IS AGREED:

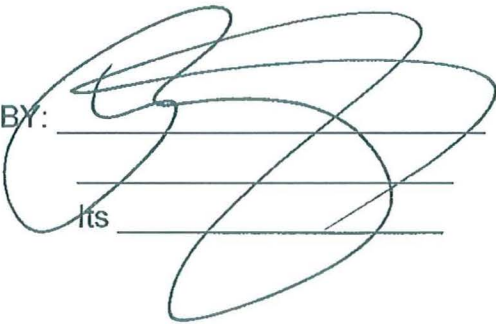
1. Marketing Plan. The parties shall execute the Marketing Plan, attached hereto as Exhibit A.
2. Submissions. The City shall notify and provide FOZ a copy of all submissions or other developments received pursuant to the RFP or otherwise.
3. Proposal Review Panel. The Proposal Review Panel ("Panel"), whose function is set forth in the RFP, shall consist of ten (10) members. The City shall appoint three (3) members of the Panel. FOZ shall appoint two (2) members of the Panel. Each of the following entities or organizations may appoint one (1)

member: Rockford Area Venues and Entertainment Authority; Rockford Area Economic Development Counsel; Rockford Area Convention and Visitors Bureau; the Rockford Park District and the County of Winnebago (acting through its chief executive officer). In the event that any of the foregoing entities entitled to appoint one (1) member does not do so, the five (5) Panel members appointed by the City and FOZ shall jointly appoint such member(s) as a member(s) at-large. All Panel members shall be full voting members of the Panel. Further, the appointing entities shall endeavor to appoint persons as Panel members who are committed to the adaptive reuse of the Ziock Building.

4. Final Proposal Approval. The Final Approval of a Proposal shall be by vote of the City Council following the standard Planning and Development Committee review process.
5. Laws. FOZ and its members will comply with all applicable laws with regard to this Agreement.


Entered this 5th day of ~~February~~^{March}, 2012, by:

THE CITY OF ROCKFORD

BY: 

Its _____

FRIENDS OF ZIOCK

BY: 

DONE BISSELL
Its Organizer

Exhibit A

(Feb. 28

/2012)

Marketing Plan and Process for the Ziock Building and Property

Marketing Plan Contents

1. City of Rockford Web Page
 - ◆ The Complete RFP Document with links to all of the Appendices and Addenda
 - ◆ Additional floor by floor interior photos
 - ◆ Additional Documentation, Addenda, in Response to Questions or as Requested by Interested Parties
 - ◆ Additional Documentation, Addenda, such as environmental documents, as they become available during the marketing period and any follow-up financing period
 - ◆ Link to FOZ development website
2. Advertising in the print media – a list of potential print media
3. Advertising on line – a list of potential organizations and media
4. Mailing list of developers, real estate companies and architectural firms who will receive direct notices of the RFP
5. Role of the Friends of Ziock

Marketing Plan and Process for the Ziock Property

The City of Rockford will carry out a multifaceted marketing campaign to find a viable proposal for redevelopment of the Ziock Building at 416 South Main Street. The central goal is to get as wide a distribution as possible of a Request for Proposals (RFP) for the property, thereby maximizing the chances of obtaining viable proposals. This approach, to be carried out with help from the Friends of Ziock, will include the following components:

1. City of Rockford website

The City of Rockford will post the complete RFP on the City of Rockford Web Site (www.rockfordil.gov). This will include links to several reports that will aid a potential developer in evaluating the property. These links are contained within the text of the report as well as the within the list of Appendices. The linked reports will be placed on the website simultaneously with the RFP. In addition, the City will display a link to the FOZ development website <<http://development.ziock.org>>.

The RFP will be updated to include Addenda as they are developed. These Addenda will be the result of questions and responses arising at the Pre-Bid Meeting and Tour of the Property as well as questions and responses received during the time the RFP is open. In addition, some potential developers may request additional photos or reports not contained in the initial City website posting. In these cases, the requested photos/reports will be posted on the website as an Addendum if they are available.

The City will adhere to its Purchasing Procedures for full disclosure regarding these questions and responses, thus ensuring a transparent process and complete information provided to all potential respondents. Addenda will also be prepared if additional reports concerning the property become available during the period the RFP is open. These additional reports could include additional Phase II Environmental Assessment Reports such as the Remedial Objectives Report and the Remedial Action Plan, both of which may become available during this period.

2. Advertising in the print media

The City of Rockford will advertise in the *Rockford Register Star* and in four print media outlets which may include, but are not limited to the list below. Final selection and approval of these printed media and ad parameters will be made in consultation with the Illinois Historic Preservation Agency and the FOZ Marketing Representatives. Each ad will provide, in the minimum, a brief description of the property and building and a link to the RFP on the City's Web Site.

- ◆ *Brownfield Renewal*, associated with the National Brownfield Association and published bi-monthly (formerly known as *Brownfield News and Sustainable Development*);
- ◆ *Crain's Chicago Business*, published weekly (this was used to advertise the RFP for the old limestone buildings in the 100 block of South Main Street several years ago)
- ◆ *Development Magazine*, published quarterly by the NAIOP, currently known as the Commercial Real Estate Development Association (formerly known as the National Association of Industrial and Office Properties);
- ◆ *Economic Development Journal*, quarterly publication of the International Economic Development Council;

- ◆ *Illinois Real Estate Journal, Midwest Real Estate News and Chicago Industrial Properties*; all published bi-monthly by the Real Estate Publishing Group, a Division of Law Bulletin Publishing Group;
- ◆ *Economic Development Now* , published twice a month by the International Economic Development Council; and/or
- ◆ *Preservation*, the magazine of the National Trust for Historic Preservation, published bi-monthly.

3. Advertising on line

The City of Rockford will place ads in the online editions of or on the Web Page of four or more of the following organizations, or other similar organizations, following consultation with the Illinois Historic Preservation Agency and the FOZ Marketing Representatives.

- ◆ Brownfield Renewal – online edition
- ◆ National Brownfields Association – website
- ◆ NAIOP, Commercial Real Estate Development Association website
- ◆ NAIOP, Commercial Real Estate Development, Chicago Chapter website
- ◆ RE Journals.Com – static online edition and news blasts; includes *Midwest Real Estate News, Illinois Real Estate Journal and Chicago Industrial Properties (CIP)* (RE Journals.com)
- ◆ International Economic Development Council – online editions of *Economic Development Now* and the *Economic Development Journal*
- ◆ National Trust for Historic Preservation – PreservationNation.org website
- ◆ Landmarks Illinois – landmarks.org website and e-blasts
- ◆ Congress for the New Urbanism – cnu.org website

4. Direct notice will be sent to a comprehensive mailing list of developers, real estate firms and interested parties.

A list of 104 real estate developers, real estate firms and investment firms was compiled from several sources. This list is attached. These firms, and any others presented to the City by FOZ, will be mailed a one-page overview of the RFP and a link to the RFP on the City's web site. In addition, each firm will be provided a copy of the one-page document in an email where an email address is readily available.

The ***Friends of Ziock*** (FOZ) will execute a coordinated approach that compliments City activities. This approach may include the following components:

1. FOZ will create a dedicated web presence specifically to support the marketing activities. This dedicated website will facilitate posting of materials created by FOZ, will facilitate direct linking to relevant specific targets on the City website (such as the RFP and any addenda) and will enable to track web traffic.
2. FOZ will develop a social media presence on Face book.
3. FOZ will actively pursue development leads from targeting and initial contact to final resolution.
4. FOZ may make presentations to business groups and conduct outreach to local and/or regional media outlets.
5. FOZ may maintain liaison with outside organizations, such as Landmarks Illinois, for the purpose of accomplishing the overall objective of returning the Ziock Building to a market-rate, private sector, for-profit use that allows the property to be put back on the tax rolls.
6. FOZ will inform the designated representative of the City of Rockford of questions received from potential respondents, and the City's designated representative shall then include such questions and answers with the addenda to be posted on the City website.

In carrying out these activities, FOZ agrees to refer all contacts to the City of Rockford website for access to the RFP and all City documents.