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**DATE:** 5/11/2026

**TO:** Alderman Frost, Chair  
Finance and Personnel Committee

**FROM:** Todd Cagnoni, City Administrator  
Carrie Hagerty, Finance Director

**RE:** **Bond Sale: Convention Center and Hotel – Public Private Partnership with Hard Rock Rockford (815 Entertainment LLC).**

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Establishment of Public Private Partnership with Hard Rock Rockford (815 Entertainment LLC) for the establishment **215 to 225 room Hard Rock Hotel and Convention Center expansion** attached to the existing casino. Hard Rock requests the City to authorize **\$90 million bond proceeds** (total bond amount \$103 million) to fund construction of the hotel and convention center, with the bond fully repaid to the City through terms outlined in a development agreement between Hard Rock and the City. Repayment is funded from Hard Rock project cash flow — **not from the City's General Fund**. The only meaningful exposure to the City would be the unlikely scenario in which the integrated hotel and casino cannot service the bond from operations. In this situation we backstop bond payment with regional gaming tax and other taxes from the casino to not impact property taxes to residents.

An independent April 2026 Hotel Market Assessment, Gaming Market Assessment, and Economic Impact Assessment prepared by The Innovation Group (Project #019-26) supports a clear conclusion: the **risk to the City is limited**, the **opportunity to create jobs and grow the local tax base is substantial**, and the project provides Rockford with the strongest available **defense against the Ho-Chunk Beloit casino expansion** now under construction across the Wisconsin border. Hard Rock respectfully asks the Council to approve the bond authorization.

Attached to this memo is a committee report and **authorizing ordinance that begins the process of selling bonds** to fund the construction of a convention center and hotel. The authorizing ordinance gives staff the authority to begin the 30-day notice period required by

state statute for alternate bonds, as well as taking the balance of the steps necessary in a bond sale (credit rating, official statement, etc.). The proposed debt service includes Series 2026, taxable general obligation alternate bonds, sized for \$90m in proceeds, with a thirty-year amortization. Pledged repayment sources include net Hard Rock hotel income, with gaming taxes as an additional pledge for added security for bond buyers.

To select underwriter(s) for this sale, **the City's financial advisor, Speer, will complete a request for proposals process.** They will recommend one or a consortium of underwriters based on qualifications and pricing. The City will also engage bond counsel, Chapman and Cutler, for legal services related to the issue and additional consultants and/or counsel to assist in the process. Costs of issuance will be paid by bond proceeds.

As part of the proposed partnership with Hard Rock, a number of agreements will need to be amended and/or created, including; revisions to the Host Community Agreement, drafting of a Development and Management Agreement, and certain underwriting documents / reviews. These items will address:

- A buyout requirement on bond balance by Hard Rock in a timeframe of 7-10 years.
- Corporate Guarantee from Hard Rock Rockford entity(s) for the bond payments.
- Modification of the Host Community Agreement to remove openers and permanently guarantee a minimum annual payment of \$7M gaming tax to the City of Rockford.
- Cooperation with Winnebago County and local jurisdictions on the establishment of a STAR Bond District to reduce bond principal and reduce risk.
- Utilization of the State's portion of Enterprise Zone Benefits to reduce construction costs.

Staff recommends Committee and Council authorize staff to proceed with authorizing ordinance that begins the process of selling bonds and engage appropriate Counsel and consultants to complete the necessary documents associated with the project.

Please let us know if you have any questions.

**30 Year projection with and without Hotel and Convention Center**

<b>Revenue Source</b>	<b>With Hotel (30-Yr)</b>	<b>Without Hotel (30-Yr)</b>	<b>Annual Delta</b>
Gaming Tax	\$245,324,897	\$186,896,789	+\$1,947,604
Host City Community Agreement (0.5%)	\$35,046,414	\$26,699,541	+\$278,229
Attendance Agreement (\$1/head)	\$71,001,649	\$54,091,453	+\$563,673
Municipal Sales Tax	\$7,871,709	\$5,305,937	+\$85,526
Non-Home Rule Sales Tax	\$7,871,709	\$5,305,937	+\$85,526
Food & Beverage Tax	\$7,871,709	\$5,305,937	+\$85,526
Hotel Tax – Non-Tourism (1%)	\$7,508,464	\$0	+\$250,282
Hotel Tax – Tourism (5%)	\$37,542,320	\$0	+\$1,251,411
Real Estate Taxes (City Portion)	\$3,873,610	\$0	+\$129,120
<b>TOTAL – City of Rockford</b>	<b>\$423,912,482</b>	<b>\$283,605,594</b>	<b>+\$4,676,896</b>

**COMMITTEE REPORT**

**TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:**

Council Members:

The Committee on Finance and Personnel having received a request hereby begs leave to report recommending authority be sought for the issuance of \$103,000,000 in taxable General Obligation Bonds (Alternate Revenue Source), for construction of a convention center and hotel. The Legal Director shall prepare the appropriate ordinance.

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Kevin Frost (Chair)

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Jonathan Logemann (Vice chair)

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Frank Beach

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Dawn Granath

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Chad Tuneberg

Committee Action Taken:

Frost:	Ayes:___	Nays:___	Absent:___
Logemann:	Ayes:___	Nays:___	Absent:___
Beach:	Ayes:___	Nays:___	Absent:___
Granath:	Ayes:___	Nays:___	Absent:___
Tuneberg:	Ayes:___	Nays:___	Absent:___