

**CITY OF ROCK ISLAND
CITY COUNCIL STUDY SESSION**

Rock Island County Office Building, County Chambers 3rd Floor
1504 Third Avenue, Rock Island, IL

6/10/2024 - Minutes

1. Call to Order

Mayor Thoms called the meeting to order at 6:01 p.m. and welcomed everyone.

2. Roll Call

Mayor Thoms asked Deputy City Clerk Amanda Torres to call the roll.

Present: Alderpersons Kevin Maynard, Jenni Swanson, Dylan Parker, Mark Poulos, Bill Healy and Mayor Thoms.

Absent: Alderperson Moses Robinson and Randy Hurt.

Staff: City Manager Todd Thompson, Attorney Leslie Day, Deputy City Clerk Amanda Torres and other City Staff.

3. Public Comment

Mayor Thoms asked if anyone in the public wished to speak. No residents were signed up to speak.

4. Presentations

a. Presentation on ARPA funded business assistance programs.

Assistant City Manager and Economic Development Director Tom Flaherty introduced his economic development team: Economic Development Manager Tarah Sipes, Development Association of Rock Island (DARI) Vice President Liz Tolman, DARI Program Director Stacey McIntosh and Rock Island Downtown Alliance (RIDA) Executive Director Jack Cullen. Ms. Tolman said the team developed two American Rescue Plan Act (ARPA) funded business assistance programs a year ago. The programs were designed to help businesses move forward post-COVID and achieve long-term sustainability. City council allocated \$1.25 million to the programs in May 2023.

Ms. Tolman said \$500,000 was committed to the Property Enhancement Program (PEP). PEP is a grant issued as a reimbursement and requires a 50 percent match from the business. Businesses may receive up to \$20,000 through this program to rehabilitate or renovate their existing buildings.

The remaining \$750,000 went towards the Growing Rock Island Together Program (GRIT), a direct business assistance program. GRIT is a grant delivered as a loan and matches up to 30 percent of the project, and

businesses may receive up to \$50,000. Fifty percent of the loan is structured as a low-interest loan, and the other 50 percent is a forgivable loan. Ms. Tolman noted that the interest is just enough to cover the City's administrative costs. The forgivable loan portion is forgiven at the end of the term if the business completes its GRIT-related activities.

Ms. Tolman explained that, after evaluating PEP and GRIT applicants, the team identified that some business required more funding than what was offered through PEP or GRIT. The team launched a new program under GRIT, the High Impact Project Program (HIP), in September 2023.

Ms. Tolman said PEP has funded 39 projects. The City has invested \$487,000 for PEP projects, and the private sector has invested \$2.8 million. She introduced Greg Stecker, owner of Stecker Graphics and PEP recipient. Mr. Stecker spoke about the history of Stecker Graphics. Last year, Stecker Graphics spent approximately \$100,000 to remodel the interior, repaint the exterior, repave the parking lot and add new landscaping, graphics and signage. Before and after pictures were shown. Mr. Stecker said the application process was easy, and he hoped PEP can continue as it is unique to Rock Island and encourages investment.

Ms. Sipes commented that GRIT has a more involved process than PEP but can cover a wider variety of business needs, such as working capital or help to offset property purchase costs. GRIT has been awarded for seven projects and more are anticipated. The City has invested \$451,000 in the GRIT projects while the private sector has invested roughly \$15.9 million. This includes investment into HIP. The average award was \$69,000.

Lavish Salon and Spa was a GRIT recipient. Ms. Sipes gave some background on the business, and said Lavish recently purchased The Shoppes on Second property. Lavish will keep two of the retail incubator spaces. Mr. Sipes showed pictures of the exterior and interior of the property. They are installing a door allowing access directly to the salon and a separate entrance for the retail spaces.

Ms. Tolman said the team identified Friendship Manor and Crawford Company as HIP recipients. Two tiers were created for the program. Tier 1 is a total project cost of \$5 million or more and tier 2 is a total project cost of \$1 million or more. HIP offers a grant in the form of a loan. Tier 1 projects are eligible for a forgivable loan of up to \$100,000. Tier 2 projects are eligible for a loan of up to \$100,000, and the loan is structured as a 50 percent low-interest loan and a 50 percent forgivable loan.

Ms. Tolman introduced Crawford Company President Ian Frink and Vice President Jim Maynard. Mr. Frink thanked the economic development team, City Council and City staff. He said they invested close to \$600,000 in their property at 430 1st Street. The expansion gave them 40,000 square feet for inventory and operation space. It also freed up prime real estate on Mill Street, and they were able to start a custom architectural products division. Mr. Frink said obtaining this property allowed for job creation and the opportunity for Crawford to gain millions of dollars in revenue. Photos of the property were shown.

Mr. Flaherty said the public sector invested about \$1 million dollars and the private sector invested approximately \$18.5 million. Close to \$312,000 can still be invested from the public sector, and there are still some projects in the pipeline. He commented that they are looking into other revenue streams to continue the programs after the ARPA funding is spent. Alderperson Parker suggested marketing these programs by collaborating with the Quad City Business Journal. Mayor Thoms commented that the programs have generated a great return on investment for the City, increased property and sales taxes, and added more jobs to Rock Island.

5. Adjourn

- a. Motion: Motion to adjourn.
VV Voice vote is needed.

MOTION:

Alderperson Poulos moved to adjourn; Alderperson Healy seconded.

VOTE:

Motion PASSED on a 5-0-2 voice vote. Aye: Healy, Maynard, Swanson, Parker, Poulos. Nay: None. Absent: Robinson, Hurt.

The Study Session concluded at 6:28 p.m.