

Rock Island City Council met in a Special Session at 6:00 p.m. in the Council Chambers of Rock Island City Hall. Present were Mayor Pro Tem Terry M.A. Brooks I, presiding, and Aldermen David Conroy, P.J. Foley, Stephen L. Tollenaer, Jason W. Jones, Joy Murphy and Charles O. Austin III. City Manager John Phillips was also present. Mayor Dennis E. Pauley was absent.

Introductory Proceedings

Mayor Pro Tem Brooks called the meeting to order.

Agenda Item #3

Report from Community and Economic Development Department regarding a Neighborhood Stabilization Grant Agreement with the Illinois Housing Development Authority.

It was moved by Alderman Austin, seconded by Alderman Jones to approve the grant agreement as recommended and authorize the City Manager to execute the contract documents.

Discussion followed.

City Manager John Phillips inquired upon Planning and Redevelopment Administrator Alan Carmen and Renaissance Rock Island President Brian Hollenback to explain the need for a Special Meeting and the nature of the agreement.

Mr. Carmen indicated that this is a joint application that was submitted to the Illinois Housing Development Authority (IHDA) - Department of Human Services (DHS) last year. Mr. Carmen explained that after approximately five (5) months, the City received word of the award. It was noted that the City was granted \$3.1 million dollars in which \$410,000.00 to \$415,000.00 of those funds goes directly to the City for demolition. Mr. Carmen offered that the balance comes through the City for Growth Corporation for purchase of abandoned properties, foreclosed properties, renovation of properties and for the resale of the properties.

Mr. Carmen stated that the City was notified in September and since then; the City has been waiting for final agreements from the Illinois Housing Development Authority (IHDA). In addition, Mr. Hollenback and Growth Corporation have entered into options on properties for acquisition purposes as far back as a year ago. The options have been extended over time and more of those closing dates are coming up. Mr. Carmen added that a number of those options are set to expire this week.

Mr. Carmen explained that the reason for the Special Meeting is for the City and Growth Corporation to proceed to close on the properties. In addition, the Growth Corporation will be able to close on the properties and not run the risk of losing them and the program can be implemented. It was noted that there may be some minor changes in the final agreement, which would come back to Council. Mr. Carmen stated that the City and

Growth wish to move forward on this as quickly as possible, which is this week. Mr. Carmen explained that 100% of the funds need to be committed under contract by September 4, 2010. The date cannot be moved.

Mr. Hollenback stated that this is the NSP1 (Neighborhood Stabilization Program) agreement. It is not the NSP2 (Neighborhood Stabilization Program) agreement. Mr. Hollenback indicated that Growth has approximately 20 properties under contract, some of which have been under options for more than a year and time is running out on the extensions for the end of this month. Mr. Hollenback added that there are several closings subject to the final agreement coming in, which is scheduled for this Friday.

City Manager Phillips then inquired upon Mr. Carmen to explain the difference between Agenda Item #3 and #4.

Mr. Carmen stated that Agenda Item #3 is the agreement from the Illinois Housing Development Authority (IHDA) between the City, who is the recipient and the State. It was noted that the agreement governs how the overall \$3.1 million dollars is to be governed and delivered. In addition, there will be an agreement between the City and Growth Corporation for them to deliver their \$2.7 million dollars worth of the \$3.1 million total dollars. It was noted that a little over \$400,000.00 is the City's direct delivery for the demolition function. Mr. Carmen indicated that an agreement is being prepared by the Illinois Housing Development Authority (IHDA) that will be their requirements between the City and Growth Corporation. It was noted that this agreement is not finalized yet.

Mr. Vince Thomas of 1000 21st Street stepped forward. Mr. Thomas voiced concerns regarding the price range of homes as it relates to the Neighborhood Stabilization Grant. Mr. Thomas was also concerned in regards to the displacement of low income residents in Rock Island.

Mayor Pro Tem Brooks stated that the Neighborhood Stabilization Grant is what the City's most low income areas need. Mayor Pro Tem Brooks added that the neighborhood areas in the plan have to be stabilized first before they can be rebuilt.

After more discussion, the motion carried by the following Aye and No vote: those voting Aye being Alderman Brooks, Alderman Conroy, Alderman Foley, Alderman Tollenaer, Alderman Jones, Alderwoman Murphy and Alderman Austin; those voting No, none.

Agenda Item #4

Report from the Community and Economic Development Department regarding a subgrantee agreement with Rock Island Economic Growth Corporation as part of the Neighborhood Stabilization Program.

Alderman Foley moved and Alderman Conroy seconded to authorize staff to negotiate the subgrantee agreement with Rock Island Economic Growth Corporation as

recommended and authorize the City Manager to execute the contract documents. The motion carried by the following Aye and No vote: those voting Aye being Alderman Brooks, Alderman Conroy, Alderman Foley, Alderman Tollenaer, Alderman Jones, Alderwoman Murphy and Alderman Austin; those voting No, none.

Agenda Item #5

Executive Session on Personnel.

A motion was made by Alderman Conroy, seconded by Alderman Foley at 6:25 p.m. to recess to Executive Session on matters of Personnel. The motion carried on a roll call vote. Those voting Aye being Alderman Brooks, Alderman Conroy, Alderman Foley, Alderman Tollenaer, Alderman Jones, Alderwoman Murphy and Alderman Austin; those voting No, none.

Agenda Item #6

Recess

Mayor Pro Tem Brooks reconvened the regular meeting at 6:32 p.m. A motion was made by Alderman Conroy and seconded by Alderman Austin to recess to Saturday, February 27, 2010 at 8:00 a.m. The motion carried by the following Aye and No vote: those voting Aye being Alderman Brooks, Alderman Conroy, Alderman Foley, Alderman Tollenaer, Alderman Jones, Alderwoman Murphy and Alderman Austin; those voting No, none.

The meeting was recessed at 6:33 p.m.

Aleisha L. Patchin, City Clerk