



MEMORANDUM

COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

TO: Thomas Thomas

SUBJECT: 1808/1810 3rd Avenue

DATE: Sept. 4, 2013

JDH of Rock Island LLC has been rehabbing the property at 1808/1810 3rd Avenue under the traditional upper story TIF program. The project has had significant modifications in the scope of work to deal with the building conditions. Two planned studio apartments have been turned into true one bedroom units and the renovation of retail space is more extensive. The original balances of funds have all been distributed however a gap on the project of \$5,000 still exists. This is very consistent in what we find for this type of renovations. The upper story program of \$20,000 per unit just is not enough to cover costs. The request is for a one-time \$5,000 additional payment.

Recommendation:

Staff recommends Council authorize a \$5,000 payment from the Downtown TIF for 1808/1810 3rd Avenue to JDH of Rock Island LLC.

Submitted by: Jeffery Eder, Community & Economic Development Director

Approved: Thomas Thomas, City Manager

July 2, 2013

Jeff Eder
Community and Economic Development Director
City of Rock Island
1528 3rd Avenue
Rock Island, IL 61201

Subject: 1808/1810 3rd Avenue

Dear Jeff,

Please accept this letter as a request to modify JDH of Rock Island LLC agreement with the City of Rock Island from the Upper Story TIF Program to a traditional development agreement.

I am requesting the remaining balance of \$23,295 to be placed in escrow with the first mortgage lender Bank Orion. This will insure that the work will be completed in accordance with the development agreement and scope of work initially provided.

The scope of work has been modified as follows:

- 2 studio units were changed to 1 bedroom units
- A public art project will be installed and lit along the side of 1808 3rd Avenue.
- A full service gym has been added for residents to utilize
- Renovation of additional 2,100 sq feet of retail space

The modifications to the scope of work have increased the development budget by \$41,000. The developer has obtained an additional \$26,500 from Bank Orion and contributed \$ 9,500 leaving a gap of \$5,000.

In addition to the modification, JDH of Rock Island LLC is requesting an additional \$5,000 to support the enhanced scope of work. A modified project summary is attached.

If you have any questions, please do not hesitate to contact me.

Sincerely,

JDH of Rock Island LLC

Enc

For sale unit

1810	400	50,000
1810 1/2	800	115,000
1808 unit 1	800	80,000
1808 unit 2	1275	150,000
1808 unit 3	700	75,000
1808 unit 4	1200	75,000
Total	5175	545,000

Taxes	300
Insurance	225
Water	100
Accounting	25
Maintenance	150
Snow	50
Total	850

Net Income	4325
P & I	1451 295K 30 year am 4.25%
	1826 295K 20 year am 4.25%