

**Memorandum
Community & Economic Development Department**



To: Thomas E. Thomas, City Manager
Subject: City Contribution for Arsenal Homebuyers
Date: April 15, 2014

Attached is a letter from Brian Hollenback, President of Renaissance Rock Island. This letter requests a contribution from the City in support of the Employer Assisted Housing Program (EAP) for Rock Island Arsenal employees who purchase homes in Rock Island. The Rock Island Arsenal does not have the ability to participate in the program.

The City contributed the Arsenal's share of the EAP in FY2008, FY2010, FY2012, FY2013, & FY2014. The request is for \$10,000 which would be supported by Gaming Funds through the Community & Economic Development Fund (207).

Recommendation

The CED Department recommends that the City Council approve a \$10,000 contribution to the Employer Assisted Housing Program in support of Arsenal employees who are seeking to purchase a home in Rock Island.

Vendor: Rock Island Economic Growth Corporation
Payment Amount: \$10,000
Fund: 207 Community & Economic Development Fund
Department: 312 Economic Development
Cost Center: 801 General Development
Object Code: 54101 Contributions/Sponsorship
Project: N/A
Grant: Gaming Allocation

Requisition Number: R004574

Submitted by: Jeffery A. Eder, CED Director/Asst City Manager
Dena Haag, CED Budget & Grants Manager

Approved by: Thomas Thomas, City Manager



- Development Association of Rock Island
- Rock Island Economic Growth Corporation
- The Downtown Rock Island Arts & Entertainment District

April 15, 2014

Mr. Jeff Eder
City of Rock Island
1528 3rd Avenue
Rock Island, IL 61201

RE: EAP Support for Arsenal Live-Work Employees

Dear Mr. Eder,

Please accept this letter as Rock Island Economic Growth Corporation's (GROWTH) official request for the City of Rock Island to contribute to the Employer Assisted Housing Program (EAP) in support of Arsenal employees who are looking to purchase homes in Rock Island. GROWTH is requesting a contribution of \$10,000 for 2014.

The Employer Assisted Housing Program (EAP) has been a successful tool in attracting homebuyers into the city of Rock Island. Since its birth in 2003, the EAP has been successful in:

- Assisting 270 employees purchase homes in Rock Island.
- Generated more than \$25.6 million in real estate transactions.
- Provided more than \$1.5 million in direct buyer assistance.

Nearly 50% of participating employees of the program relocate to Rock Island, making this program a phenomenal homebuyer attraction and employee retention tool.

In the past, the City of Rock Island has contributed to the Rock Island Arsenal's share of the EAP at a level of \$10,000 per year. To demonstrate a positive return on the City's investment, GROWTH has provided an update on the number of Arsenal households that have participated in the program.

- The first Arsenal employee participated in EAP in 2007 and relocated to Rock Island from St. Robert, MO. The buyer purchased a home at the price of \$167,000.
- 30 Arsenal employees have purchased homes in Rock Island through EAP.
- Nearly \$3 million (\$2,994,175) has been generated in EAP real estate transactions by Arsenal employees alone.
- \$169,047 has been provided in Arsenal EAP direct buyer assistance to date.
- Average assistance provided per employee is \$5,983.

With the contribution of the City, we can continue to provide this important financing tool for our Arsenal employees. If you have any questions regarding this update, please do not hesitate to contact me. As always, thank you for your support.

Sincerely,

A handwritten signature in blue ink that reads "Brian Hollenback".

Brian Hollenback
President

EAP