

Economic Growth Corporation

2017 MID-YEAR REPORT

Lawrence Lofts:

A downtown housing milestone for Sterling, IL.



A MESSAGE FROM THE BOARD CHAIR

Our board of directors serve as an integral part of our organization. Economic Growth Corporation staff operates under the guidance, leadership, and direction of the Executive Board and GROWTH Board of Directors as we continue our community revitalization efforts.



JAN MASAMOTO

BOARD CHAIR, ECONOMIC GROWTH CORPORATION

Much activity has occurred the first half of 2017 as GROWTH continues to grow its national presence. In July 2017, GROWTH celebrated its ribbon cutting for Lawrence Lofts, a \$5.6 Million residential adaptive-reuse development that created 20 residential units in downtown Sterling. Lawrence Lofts is considered a milestone in the redevelopment of downtown Sterling and the riverfront by providing downtown urban living options for individuals seeking affordable housing within walking distance to services, amenities, and will provide growth opportunities for downtown businesses. The City of Sterling's partnership with GROWTH has allowed for \$18.2 Million of investment in Sterling since 2009.

GROWTH also launched its new national nonprofit, HOME BASE Property Management, which will be adding six to eight new jobs the second half of 2017. The formation of a national property management company had emerged from a Strategic Planning Session, and over the past five years, GROWTH had been taking the necessary steps to build its asset management capacity with the intent to launch its property management subsidiary. In July, GROWTH officially launched HOME BASE.

GROWTH knows in order to remain successful in its comprehensive approach to revitalization, it must address and enhance the quality of life components of our most vulnerable population while improving the housing stock in areas where it needs it most. With that said, I am extremely proud to announce GROWTH's new regional Housing & Financial Education Center, located in downtown Rock Island, which increases the visibility of GROWTH's housing programs and services to the public. The Housing & Financial Education Center was made possible through New Market Tax Credits activities of GROWTH's Community Development Entity, Central States Development Partners, who acquired the property and invested in building upgrades.

Central States also closed or committed 100% of their allocated \$45 Million New Market Tax Credit award. The investments made to date will support more than \$110.8 Million in project costs, creating 2,007 jobs in Iowa, Illinois, and Indiana. The activities made in rural America allow for Central States to make investments in its hometown of Rock Island, IL.

As we continue to work hard to address the population shift, loss of wealth, and stabilization of property values in Illinois, GROWTH is proud to begin administering single family programs after two years of funding not being available. Two programs are currently underway, the Housing Accessibility Program (HAP) and the Single Family Rehab Program (SFR). The HAP program provides assistance to senior citizens and persons with disabilities by funding repairs that improve accessibility and safety in order to avoid possible premature institutionalization. The SFR program provides assistance to homeowners that are in need of health and safety improvements. Funds from both programs are being deployed throughout the region, with most benefit coming to Rock Island, where GROWTH is headquartered.

GROWTH's Employer Assistance Program continues to bring new homebuyers and new tax base for Rock Island, IL. Twenty (20) new Rock Island homebuyers were welcomed to date in 2017 through GROWTH's Live-Work Rock Island program, providing \$157,410 in down payment and closing cost assistance and generating \$2.3 million in real estate transactions for Rock Island. While we continue to grow nationally, GROWTH's activities are proving to bring new investment, new programs, and new jobs for its hometown of Rock Island. I am proud of GROWTH expanding its reach while maintaining its roots, mission, and impact for Rock Island and other underserved communities.

MISSION STATEMENTS

Economic Growth Corporation

A national 501(c)3 non-profit community development organization that works to enhance the overall image and economic vitality of distressed and underserved communities by improving the housing market dynamics in such communities, especially in older blighted neighborhoods; Developing new housing opportunities; Generating new and additional tax revenues; Promoting, encouraging, and assisting the growth and development of existing commercial, industrial, and small businesses; Attracting new businesses; Providing housing counseling, foreclosure prevention and intervention counseling; Encouraging homeownership for those not qualifying for conventional residential mortgage programs; and creating employment opportunities.

GROWTH has subsidiaries that were created to maximize resources, and include the following:

Central States Development Partners:

Central States is a national, wholly owned subsidiary of GROWTH, and serves as a Community Development Entity that accesses and deploys New Market Tax Credits. Central States was awarded \$45 Million in New Market Tax Credit authority in the 2015-2016 Round through the CDFI Fund in the U.S. Department of Treasury. As of July 2017, Central States has closed and/or allocated one hundred percent (100%) of its \$45 Million award. These investments will support more than \$110.8 Million in project costs and create 2,007 jobs in rural America.

HOME BASE Property Management LLC:

HOME BASE Property Management, LLC. is a national, wholly owned subsidiary of GROWTH, and serves as the property management company for all residential and commercial properties owned by GROWTH. Launched in July 2017, HOME BASE was formed as a legal entity to operate on a national scale. With a real estate portfolio of 347 residential multifamily rental units and over 40 commercial units, HOME BASE is a crucial component in the area of asset management for GROWTH.

GROWTH General Contracting LLC:

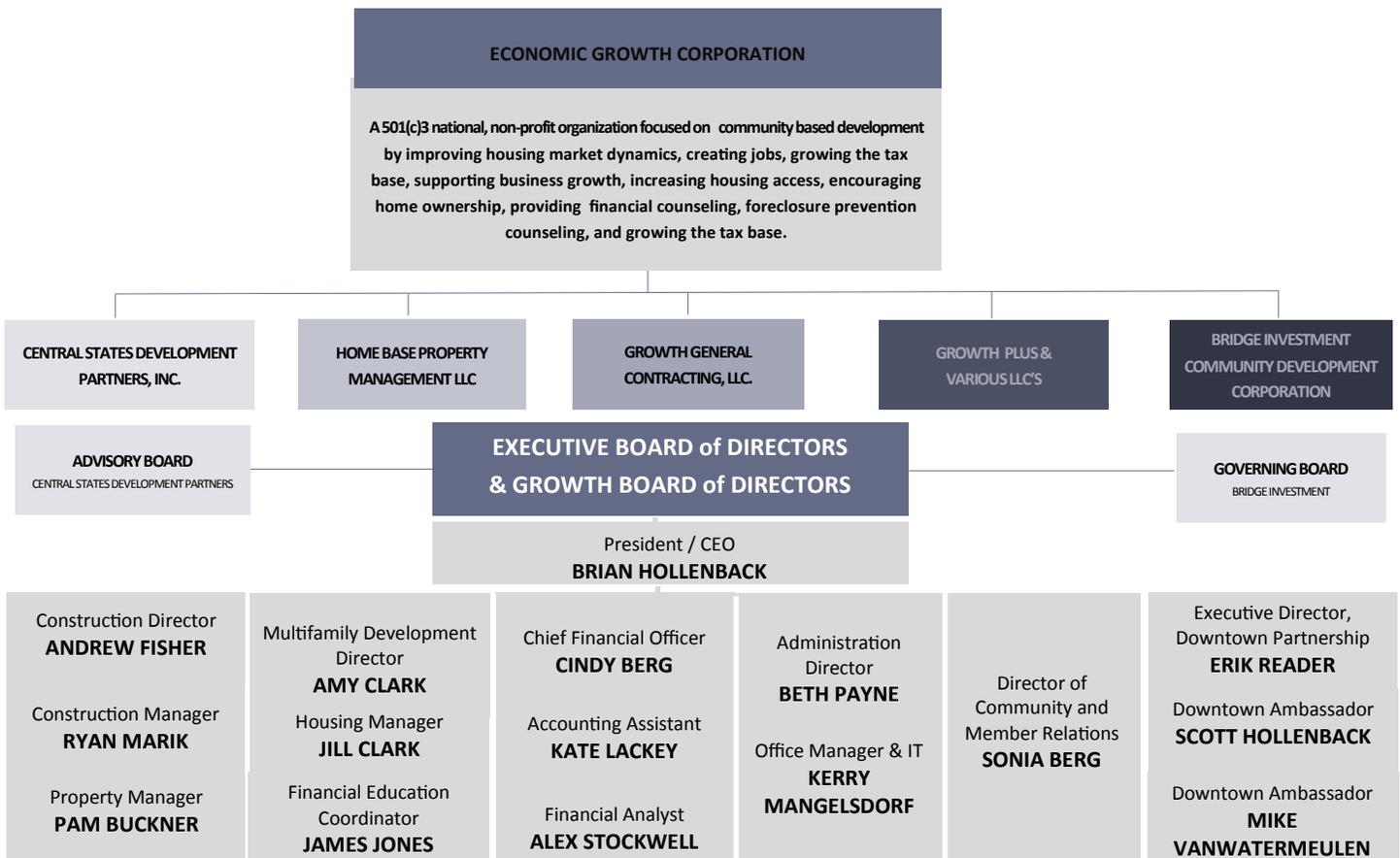
GROWTH General Contracting LLC is a national, wholly owned subsidiary of GROWTH and serves as the General Contracting company for smaller projects developed by GROWTH.

Various LLCs:

GROWTH has various wholly owned subsidiaries for multi-family and residential properties and mixed-use developments by GROWTH.

Bridge Investment:

Bridge Investment is a national 501(c)3 emerging Community Development Financial Institution managed by GROWTH. Bridge Investment assists emerging economic needs of low-and-moderate income communities.



MESSAGE FROM THE PRESIDENT / CEO



At the beginning of 2017, I articulated that GROWTH and its subsidiaries continue to evolve and grow in response to community needs. Our 2017 plans focused on grounding ourselves in our mission and preparing the organization for exponential growth to help grow investment in underserved communities and assist underserved people. I am proud to say that we have made monumental milestones during the first half of 2017 that are highlighted in this newsletter.

Some highlights I am exceptionally proud of are the following:

- **Single Family Programs:** After two years of no funds being available, GROWTH has been awarded three programs that benefit our most vulnerable population, senior citizens, persons with disabilities, homeowners in need of health and safety improvements, and counseling for those facing foreclosure.
- **Employer Assisted Housing Program (Live-Work Rock Island):** I am especially proud that GROWTH has deployed more than **\$157,410 in down payment and closing cost assistance to 20 employees** who purchased homes in Rock Island so far in 2017. Those dollars helped in generating more than \$2.3 million in real estate transactions, supporting and growing the tax base in GROWTH's hometown, and allowing DARI-member employees the opportunity to live near where they work.
- **New Housing & Financial Education Center:** Through the national efforts of GROWTH's Community Development Entity, I am proud to announce that GROWTH will be opening a **Housing & Financial Education Center in downtown Rock Island**. This new Center, opening in September, will bring GROWTH's housing programs and services to the forefront, and was made possible using 100% of private dollars through Central States Development Partners, Inc.
- **Central States Development Partners, Inc.:** closed or allocated 100% of its \$45 Million New Market Tax Credit Award within four months of closing on its Allocation with the U.S. Department of Treasury. **The effort made by Central States makes more than \$110.8 Million worth of projects move forward, while creating 2,007 jobs in rural America. Up to 90% of the new jobs created will benefit low-income persons.**
- **Bridge Investment:** managed by GROWTH, Bridge Investment made its first lending milestone of lending \$1,245,000 to support small business and neighborhood stabilization efforts in Illinois and Iowa. The dollars were directly invested in areas of high unemployment and high vacancy rates, and without Bridge Investment's funding, would not have been able to move forward. More than 518 jobs are being created and/or supported through Bridge Investment's loan activity.
- **SEED Rock Island:** Through strong partnerships with other private partners, we were able to roll out three unique programs to assist small business and entrepreneurial growth in Rock Island, **offering a micro-loan program and grant program.**

IN MEMORIAM

CHARLES O. "Chuck" AUSTIN, III

We, along with the rest of the Quad Cities



community, were shocked and saddened to hear about Chuck Austin's sudden death on July 7, 2017.

A long time GROWTH Board member, downtown Rock Island event volunteer, previous

long-time 7th Ward Alderman, and community advocate, Chuck Austin made a mark on the Rock Island community and will be forever missed.

We thank Chuck for his steadfast commitment to GROWTH Board, as he played an instrumental part in making bold, brave, decisions as GROWTH diversified its activities into other communities for the ultimate benefit of its hometown Rock Island. We thank him for his endless support as Alderman on the many projects and efforts brought forth through Rock Island City Council. We will miss seeing him and Ann walking the sidewalks of Rock Island and beyond. Rest in Peace Chuck, until we meet again!


President / CEO

NEW TEAM MEMBERS

GROWTH is proud to welcome new team members in 2017 that enhance the organization's ability to administer much needed programs into underserved communities while assisting families in need of housing and business programs.

For a listing of all GROWTH team members, visit www.EconomicGrowthCorporation.com.



Sonia Berg | Director of Community and Member Relations

Sonia started as Director of Community and Member Relations in January, having the responsibility to increase awareness of GROWTH and its subsidiaries through its business and lending activity. In addition, Sonia leads strategic member and community outreach efforts by generating new partnership and new memberships within the community. Sonia has 13 years' experience in community development, real estate, and banking, with an emphasis on community reinvestment. Sonia is also a HUD certified Housing Counselor, fluent in Spanish, and leads GROWTH's efforts in Collier County, Florida where she has counseled 75 low-to-moderate income homebuyers in financial education and downpayment assistance programs.



James Jones | Financial Education Coordinator

James started as Financial Education Coordinator for GROWTH in February, assisting in homebuyer education, financial literacy, and foreclosure prevention/ intervention counseling activities assisting GROWTH's clients towards personal and economic independence and self-sufficiency. James has over 10 years' experience in financial counseling and real estate, most recently completing a HUD Approved Housing Counseling training where he was certified in Building Competency in Housing Counseling and Foreclosure Prevention. James leads GROWTH's single-family financial education efforts in Illinois, and has counseled 92 homebuyers in financial education and down payment assistance programs since beginning his part-time employment with GROWTH.



Erik Reader | Executive Director, Downtown Rock Island Partnership

Erik started as the Executive Director of the newly created Downtown Rock Island Partnership, in February, having the responsibility to market and promote the greater Rock Island area and Downtown Rock Island as a destination for business growth, job creation and retention, arts and entertainment, and retail sales. Erik has seven years experience in revitalization via the arts, innovation, sustainability and development, specializing in community place making. In addition, Erik administers the newly created SEED Rock Island program, to assist needs of Rock Island businesses to open, grow, and expand.



Cindy Berg | Chief Financial Officer

Cindy started as the Chief Financial Officer for GROWTH and its subsidiaries in March, having the overall responsibility for the financial and risk management of five companies, consisting of four non-profits and one for-profit Community Development Entity totaling more than \$60 Million in combined assets. Cindy is CPA licensed in Illinois and Iowa and has over 20 years' experience in financial management in the private, public and non-profit sectors, with a focus on non-profit organizations. Cindy has worked with Economic Growth Corporation and its subsidiaries for over 10 years in her capacity as senior management for one of the five largest US public accounting firms. In her capacity as CFO, Mrs. Berg also has vast experience in federal and state regulations and grant compliance. She is also responsible for risk management for the company's assets.



Carey Jorgensen | Director of Property Management

Carey started as the Director of Property Management for GROWTH's national property management company, HOME BASE Property Management, LLC in July, having the overall responsibility for leasing, and managing of thirteen multi-family properties in Illinois and Iowa. Carey manages approximately 347 units of multi-family rental housing, with approximately 690 tenants throughout the region. Carey gained her nearly 20 years of experience working for property management companies; Laborers' Home Development Corporation; ACC Management, and Ludwig & Company. Additional staff are being hired for HOME BASE in which Carey will be supervising in the next 90 days.

ORGANIZATIONAL UPDATES

New Hires

Since January 2017, GROWTH has welcomed five new full time staff members, with an additional full time and part time opportunities to be hired in the next ninety days. These new staff members have allowed GROWTH to expand in its ability and capacity to meet community needs while adapting to our ever changing and rapidly growing organization. As an Equal Opportunity Employer, GROWTH bases all its employment decisions on merit, qualifications, and performance. GROWTH applicants are evaluated on the basis of qualification for the job and not based on their race, color, sex, national origin, ethnicity, citizenship status, ancestry, disability, age, marital status, sexual orientation, veteran status or any other characteristic protected by federal, state or local law. The Organization makes reasonable accommodations for qualified individuals with disabilities, as required by law. All job postings are posted under "Employment Opportunities" at www.EconomicGrowthCorporation.com

Organizational Audit

In April, GROWTH's organizational audit was completed after four weeks of field work. The audit report showed no significant deficiencies and no compliance findings. The audit was conducted by RSM US LLP, and includes all areas of financial responsibility, financial controls, and ensures that GROWTH and its subsidiaries are in accordance to generally accepted accounting principles. Cindy Berg, GROWTH's new CFO, was hired two weeks prior to the audit's start, and was a tremendous asset in ensuring that the process for the audit ran smoothly. During the audit report to GROWTH Board in July, RSM US LLP reported that GROWTH's balance sheet is officially just over \$30 Million as of December 31, 2016, and will reach nearly \$80 Million in assets once the remaining New Market Tax Credit transactions close later in 2017, demonstrating how rapidly GROWTH is growing as an organization.

Second Amendment to Bylaws

In June, GROWTH Board of Directors approved a second amendment to GROWTH's organizational bylaws in order to further meet the needs of underserved communities. The amendment included areas regarding future board appointments and expanding growth's mission to further meet areas of great housing and economic development needs.

Email Change: @growthcorp.org

In July, GROWTH's staff email was changed to first letter of their first name and full last name @growthcorp.org. For example, if you wanted to reach Jill Clark, Housing Manager, you will now email jclark@growthcorp.org. Please visit www.EconomicGrowthCorporation.com for a full list of staff emails and contact information. GROWTH's previous @teamrockisland.com email addresses are still active and will forward until March 2018.

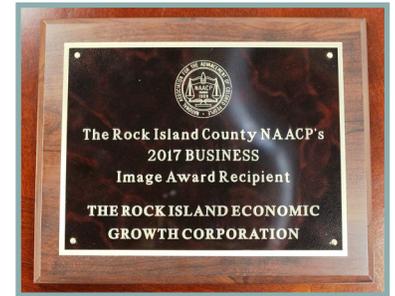
Advisory Boards: Central States and Bridge Investment

GROWTH operates two advisory boards through its organizational structure for Central States Development Partners and as a Community Housing Development Organization (CHDO). In addition, GROWTH manages a newly created Advisory Board through its management agreement with Bridge Investment. The Advisory Boards roles are to help set the organization's strategic direction, prioritization and ranking assessment plans and protocols. In addition, the Advisory Board is part of one of many layers of review that takes place in the process of determining whether or not GROWTH and its subsidiaries participate in funding a transaction. Members of Advisory Boards are nominated and approved by the Governing Board(s), and are selected based on their representation within low-income census areas, their history of involvement and expertise in areas including affordable housing, community development, and economic development. In 2017, GROWTH's Advisory Board for Central States Development Partners met twice to discuss in depth its New Market Tax Credit pipeline, ensuring that its recommendations set forth to GROWTH's governing board aligned with the overall mission in meeting the needs and providing opportunities for low income individuals and communities. In addition, Bridge Investment has a newly created Advisory Board to ensure it meets the needs for low income communities and individuals. Advisory Board members can be viewed at www.BridgeInvestmentCDC.org.

ORGANIZATIONAL UPDATES

Award Winning: GROWTH receives Rock Island County NAACP Business Image Award

The Rock Island County NAACP Image Awards recognize achievements by people of color and honors individuals or groups who promote social justice through creative endeavors. GROWTH is very honored to have been the 2017 recipient of The Rock Island County NAACP's Business Image Award, presented during the Rock Island County NAACP's Freedom Banquet and Image Awards on June 24, 2017 at Jumer's Casino & Hotel. Thank you for the recognition of GROWTH's tireless efforts in advancing equity and social justice in all our community development efforts.



Award Winning: GROWTH receives Rock Island County Historic Preservation Award for Star Block

GROWTH humbly thanks The Rock Island County Historic Society for recognizing GROWTH's historic preservation efforts of Star Block, a \$2 million rehabilitation of a 145-year old building in the heart of downtown Rock Island. The award was presented during a Rock Island City Council meeting, where the Rock Island Preservation Society spoke about the history of Star Block. Here are some interesting facts:

- * *Built in 1874. The three dimensional star on the exterior is original.*
- * *Earliest commercial occupant was the Illinois Street and Gas Company, providing gas lighting to area homes and businesses. Food establishments began in the 1930's and have remained in two of the commercial frontages since.*
- * *The residential use of Star Block started as an annex to the Harper House hotel in the 1920's.*
- * *John Looney, notorious lawyer-turned-gangster, managed Western Union Telegraph Co. off the 2nd Floor. The windows referenced in historical documents remained and were incorporated into GROWTH's redevelopment work. The windows are assumed to have been used as a counter window for the telegraph office.*



In the News: Garden District featured from Resident Perspective

The Quad City Times featured an article of The Garden District homes from the perspective of one of its residents. The resident interviewed happened to be Downtown Rock Island Partnership Executive Director, Erik Reader and his wife, where they answered questions on what it was like to live in one of the homes part of The Garden District, a GROWTH development completed in 2016. Their answers? Quiet, serene, and convenient. Reader, along with his wife Danielle spoke on how they love how the Garden District homes are within close proximity of Erik's place of employment, along with being close to art galleries, restaurants, breweries, nightclubs and coffee shops. One thing they especially like is that the riverfront bike path and Schwiebert Riverfront Park are all great places to exercise their dog Rudy.

A special thank you to Alma Gaul, writer for the Quad City Times, who consistently writes on GROWTH's developments and offering a true perspective of each development, creating a story that is enjoyable for everyone to read. The Garden District homes are now available for lease. For leasing information or to schedule a showing, contact Carey Jorgensen, Director of Property Management for GROWTH's new property management company, HOME BASE Property Management, LLC. by calling 833-786-2700 or email cjorgensen@growthcorp.org.



CENTRAL STATES DEVELOPMENT PARTNERS



New Market Tax Credits in Rural America = 2,007 jobs and \$110 Million New Investment



Central States Development Partners is a nationwide Community Development Entity, but focused its efforts in Iowa, Illinois, and Indiana for its \$45 Million 2015-2016 NMTC Allocation Award.

2,007 jobs and \$110 Million New Investment within Four Months

Within four months of closing on its first New Market Tax Credit (NMTC) Allocation Award with the U.S. Department of Treasury, Central States has closed and/or allocated **one hundred percent (100%)** of its \$45 Million award. The investments made to date will support more than \$110.82 Million in project costs, creating 1425 jobs, 360 construction jobs and 222 indirect jobs. Up to 90% of the new jobs created will benefit low income persons.



Projects receiving NMTC allocations by Central States serve **highly distressed markets in Illinois, Iowa, and Indiana** that have exhibited high rates of rent burden, low-median worker rates compared to the area, and high percentages of poverty. New Market Tax Credit financing was an integral part for these projects to move forward. Many considerations are given for New Market Tax Credit financing, with **prioritization relying predominantly on the level of distress, the level of job creation, quality, accessibility and advancement opportunities, access to affordable fresh food or community services, project innovation with proven approaches that support business growth, and the viability of a project to support the ongoing growth of the community.**



Through NMTC Activity occurring in Charles City, IA., Central States was able to acquire and create a Housing & Financial Education Center, at 114 19th Street in downtown Rock Island that will add 6-8 new jobs within 90-days. The Center will provide enhanced housing and program services for those in Rock Island and through the region.

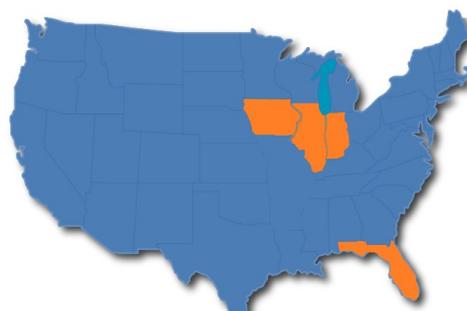
Within just 30 days of its closing, Central States made qualified equity investments (QEIs) totaling \$29 Million. Staff worked closely with its Advisory Board and consultant Baker Tilly to close on allocations for three Qualified Active Low-Income Community Businesses (QALICB). The remaining \$16 Million of its \$45 Million Allocation award has been committed to projects located in Illinois, Indiana, and Florida, and are anticipated to close by fall 2017.

\$65 Million Application Submitted for 2017 Round

Central States submitted an application to the CDFI Fund for \$65 Million in New Market Tax Credits for the 2017 Application Round. Its business strategy continues to focus efforts in Illinois, Iowa, and Indiana, and expands into Florida. Central States will work with minor-metro cities and regions to mitigate disinvestment in low-income communities, adding opportunities for better amenities, improving access to jobs and services, and increasing the tax base.

For view Central States' mid-year report, visit www.EconomicGrowthCorporation.com and click on Central States Development Partners.

Central States has closed and/or allocated one hundred percent (100%) of its \$45 Million award. The investments made to date will support more than \$110.82 Million in project costs, creating 1425 jobs, 360 construction jobs and 222 indirect jobs. Up to 90% of the new jobs created will benefit low income persons.



Milestone: \$1,245,000 in lending activity since September 2016

In less than one year after approving its first loan, **Bridge Investment has reached a lending milestone with \$1,245,000 in loan activity since September 2016.** The \$1,245,000 was leveraged with another \$135,265,367 in local, state, private and other grant sources deployed in Iowa and Illinois since September 2016.

These dollars have been directly deployed into low-to-moderate income communities and in areas of high unemployment and high vacancy rates. If not for Bridge Investment, these projects would not have been able to move forward.

In addition to the dollars deployed to date, more than 518 jobs were created and/or supported and business expansions and start ups were made possible. Loans were made in Iowa and Illinois, in areas from Chicago, IL to Davenport, IA.

Bridge Investment provides loans for gap financing, predevelopment, patient capital, working capital, real estate, inventory and equipment, construction and renovation. Loans are provided to assist businesses that will result in job creation and wealth-building opportunities for low-income individuals, thereby furthering community development.

Snapshot of Loan Activity

Bridge Investment reached a lending milestone in 2017, with the majority of loan activity occurring this year. Bridge Investment closed on a total of \$982,600 in loans from January-June 2017, with \$68,000 in forward commitments set to close before the end of 3rd Quarter 2017.

riGRDW: Micro-loan for Rock Island Businesses

In July, Bridge Investment Loan Committee approved a **micro-loan program** unique to **Rock Island based businesses.** Bridge Investment partnered with The Downtown Rock Island Partnership to administer the new program. The innovative micro-lending program, offers short- term, low-interest loans up to \$10,000 to local businesses in the 61201 zip code to expand their operations. For more information or to find out how to get involved, contact Erik Reader, Executive Director for The Downtown Rock Island Partnership, by calling 309-948-2008 or email ereader@growthcorp.org.

CDFI certification pending with CDFI Fund

Bridge Investment submitted its application on May 26, 2017 to become a certified CDFI. The application is currently under review by the CDFI Fund. By becoming a certified CDFI, Bridge Investment will become eligible for an Assistance award through the CDFI programs. CDFI certification may also enhance the ability to attract private sector capital, including funding from foundations, state and local governments, and other banks and financial institutions.



Bridge Investment loaned \$98,000 to QC Coffee and Pancake House, located in Rock Island, IL, to support its expansion efforts and equipment upgrades. The business has tripled its business activity since opening in 2014, and will be adding 10 new jobs by 2018.



Bridge Investment loaned \$64,800 in gap financing to Neighborhood Housing Services of Davenport through its Neighborhood Reinvestment Fund. Funds are being used to complete the rehabilitation of this long vacant property located in a distressed census tract in Davenport, Iowa.

riGROW
Rock Island Microloan Program

What is a microloan? It is a short-term loan with a low-interest rate that is offered to self-employed individuals, new startups or small businesses with only a few employees. Use a microloan to solve the small issues that will help you do big things.

We're here to help local, small business get growing.

Loan Amount
Borrow amounts from \$500 up to \$10,000 for working capital, purchasing inventory, buying equipment, machinery and hiring needs.

Term Length
Repayment terms vary based on amount, needs of borrower and use of funds. Typical periods range from 8 months to 36 months.

Interest Rate
Microloans offer a below average rates between 2-3% that depend on your amount and term.

Find out if you qualify by speaking to one of our small business specialists today!

DOWNTOWN ROCK ISLAND

Downtown Rock Island Partnership
1821 2nd Avenue
Rock Island, IL 61201
309-948-2008

Ready to grow?

-  Request the amount you need.
-  Set a term that works for your business.
-  Receive an affordable interest rate.





Lawrence Lofts: A Milestone for Downtown Sterling

GROWTH celebrated a ribbon cutting on the adaptive reuse of the Lawrence Building, 218 First Avenue, on Thursday, July 20, 2017 in downtown Sterling, IL. The Lawrence Lofts development is considered a milestone in the redevelopment of downtown Sterling.

GROWTH redeveloped the second through fifth floors of the Lawrence Building into a \$5.6 million adaptive-reuse, mixed-use development repurposing the vacant, upper stories into twenty (20) residential affordable rental units. The upper stories of the Lawrence Building were vacant since the 1960's prior to GROWTH's adaptive reuse efforts. Residential units range from 484-780 square feet, featuring one bedroom/one bath units and two bedroom/two bath units. Rent ranges from \$215-\$740 per month. The Lawrence Lofts Development Team are as follows:

Economic Growth Corporation | Developer
Bush Construction | General Contractor
Gary W. Anderson Architects | Architect
Ward, Murray, Pace & Johnson | Legal Counsel

Total costs for the development was more than \$5.6 million and the financing that made it possible was incredibly complex. Numerous sources made the funding possible including: Illinois Housing Development Authority: Low Income Housing Tax Credits & State Affordable Housing Tax Credits, Federal Home Loan Bank of Chicago, Affordable Housing Program (available through Sauk Valley Bank, Federal Home Loan Bank of Chicago member, who was able to access the Program on GROWTH's behalf), Sterling TODAY façade program, Illinois Attorney General National Foreclosure Settlement Funds.

The City of Sterling contributed to the project through a Tax Increment Financing (TIF) rebate program. (story continued on next page)



Comprehensive Approach | Sterling, IL

(Lawrence Lofts cont.) Sterling TODAY, a local non-profit community and economic development organization, has demonstrated tremendous support for the Lawrence Lofts development. In addition to assisting GROWTH in predevelopment expenses, the non-profit directly contributed a \$50,000 grant to be used as rental subsidy for two units within Lawrence Lofts that will assist in affordability for very low-income households. In addition, Sterling TODAY provided \$100,000 façade grant towards the building's exterior improvements.

Comprehensive Approach to Revitalization

The Lawrence Lofts development comes off the success of nearly a 10-year public private partnership between GROWTH and the City of Sterling. Since 2009, or the beginning of the partnership between GROWTH and the City of Sterling, more than \$18.2 Million in resources and have been deployed in the rural community of Sterling, IL:

New Market Tax Credits: GROWTH's Community Development Entity, Central States Development Partners, provided \$9 Million in New Market Tax Credit financing to Halo Branded Solutions, to expand their current operations into a 157,000 square foot office and warehouse building. The project allows the business to retain its 263 employees, and create an additional 244 new full time jobs for this nationwide marketing and sales promotion agency.

Neighborhood Stabilization Program 2: GROWTH applied and successfully received \$18.5 million in Neighborhood Stabilization Program 2 funds in 2009. Those funds were shared between GROWTH, City of Sterling, City of Moline, and the City of Rock Island. The City of Sterling received nearly \$2.8 million in NSP 2 funds, which was utilized in single-family new construction, purchase rehabilitation, demolition, and redevelopment efforts. The City of Sterling earned an additional \$1 million in NSP 2 Program Income that was recycled and reinvested into the Sterling community.

Illinois Attorney General National Foreclosure Settlement Funds: In 2012, GROWTH was awarded \$3.5 Million in Illinois Attorney General Foreclosure Settlement Funds, of which the City of Sterling was awarded \$285,000 that was invested in the community through new construction and demolition activities.

Various Housing Programs: GROWTH has been partnering with the City of Sterling since 2009 on various housing programs:

Housing Trust Fund Emergency Program and Single Family Owner Occupied Rehabilitation: The Housing Trust Fund Emergency Program and Single Family Owner Occupied Rehabilitation Program helped improve existing homes to code to improve health and safety of existing homeowners.

Housing Trust Fund Purchase-Rehabilitation Program: The City also participated in the Housing Trust Fund Purchase Rehabilitation Program with GROWTH, which assisted homebuyers purchase homes in the City of Sterling that may need slight improvements in order to meet code requirements.

Blight Reduction Program: The City partnered with GROWTH in the Blight Reduction Program, which is currently underway. The Program targets blighted, vacant residential properties for demolition. Thirteen (13) blighted properties were demolished through the Program, deploying more than \$331,000 in the City of Sterling. GROWTH holds the properties for eventual reuse and development, further advancing community development initiatives in the region.



Central States Development Partners provided \$9 Million in New Market Tax Credit financing allowed Halo Branded Solutions to expand into a 157,000 sf office and warehouse building. Allowing the business to consolidate operations, retain its 263 employee-workforce and create 244 new full time jobs in a rural area where 70% of the household incomes are under the area median.



GROWTH partnered with the City of Sterling (along with the City of Rock Island and the City of Moline) and was awarded \$18.5 Million in Neighborhood Stabilization Program 2 (NSP 2) funds. Through this partnership, GROWTH served as lead and the City of Sterling received nearly \$2.8 Million in NSP 2 which was used for various single family housing efforts and demolition. Pictured above is a new construction home built with NSP 2 funds and was sold to a household earning up to 120% Area Median Income.



GROWTH included the City of Sterling in various housing programs to assist in getting new homebuyers to the community as well as assist existing homeowners. Pictured above is a home purchased by a homebuyer eligible for rehabilitation funds to bring the house up to code.



According to the Center for Community Progress, for every dollar spent to clean and green vacant properties, neighbors experience a \$224 increase in housing wealth and the community sees an additional \$7.43 in tax revenue.

DEVELOPMENTS | Springfield & Coatsworth Apartments



GROWTH's Development Pipeline Advances

June was a busy month for GROWTH's development pipeline, with projects spanning from northwestern to central Illinois. Two multifamily development projects continue to move forward located in Galena and Springfield, IL. Both projects have been in GROWTH's development pipeline for over three years.

Springfield Urban Redevelopment, Springfield, IL

The First United Methodist Church at 501 E. Capitol Ave. in downtown Springfield was acquired by GROWTH to begin its stabilization process while working on its financing and tax credit due diligence. The property has remained vacant since 2008. The development's ownership structure was finalized as the Springfield Urban Redevelopment LLC became a wholly-owned subsidiary of GROWTH, and GROWTH became sole developer on the project. The \$9.46 Million mixed-use project consists of 25 units of residential housing and first floor commercial space. The Springfield Chamber of Commerce and The Springfield Project plan to relocate offices from their existing 1011 S. Second St. to the former church, once the construction is completed. Work is anticipated to begin in 2017 with a 15-month construction schedule.



Coatsworth Apartments, Galena, IL

In June 2017, the Illinois Housing Development Authority approved Housing Trust Fund financing for Coatsworth Apartments located in downtown Galena, IL.

The project consists of rehabilitation of 18 existing senior residential apartments that aim toward improving energy efficiency elements that reduce the utility cost burden for the existing tenants that call Coatsworth Apartments home.

Currently, GROWTH is working through the closing process with the Illinois Housing Development Authority, and anticipates closing on the projects and beginning construction in the fall of 2017.

DEVELOPMENTS | ROCK ISLAND

Goldman Lofts & Renaissance Lofts

The Goldman Lofts consists of 28 loft apartments and Renaissance Lofts consists of 24 loft apartments for a total of 52 loft apartments. Sixteen years after its original redevelopment, the properties are being refinanced into one ownership structure and by doing so, will undergo a facelift, with new interior updates and exterior façade improvements. The \$4.5 Million refinance includes about \$1.8 Million in new investment. Work will begin in fall 2017, with a 10 month construction schedule.



The Garden District

In October 2016, GROWTH celebrated the completion of The Garden District, a \$2.1 million single family new construction development in downtown Rock Island. This housing development is unique only to downtown Rock Island. Homes range in size from 1,440 to 1,760 square feet with sales prices starting at \$149,900 up to \$215,900.

In the the first half of 2017, Garden District homes are now being leased at \$1,250 for two-bedroom homes and \$1,500 for three-bedroom homes. For more information on leasing opportunities, contact HOME BASE Property Management LLC at 833-786-2700.



Star Block

In October 2016, GROWTH celebrated a ribbon cutting on the rehabilitation of the historic Star Block, 1821-1823 2nd Avenue. The over \$2.1 million project that preserved and transformed the Star Block into eight, one-and-two bedroom rental units ranging in size from 564 to 1,100 square feet. Seven of the eight total units are rented, with an application pending on the remaining unit. By August 2017, Star Block should be 100% occupied.

Star Block's residential units lend themselves well for artisans wishing to live in an apartment that also serves as an artist studio, thus advancing the City's Art Plan, approved by Rock Island City Council in 2015. Rent ranges from \$595 to \$1,050 per month, with 25 percent of the total units designated to live-work households.

Star Block also advances the City's Artspace Report, approved by City Council in 2008. The Artspace report's findings clearly supported a moderately sized "live work" project, with 81 artists interested in relocating to such a development. Star Block advances the City's Economic Development Strategic Plan and Arts Plan, and will allow its residents easy access to many local employers and amenities.





Wilson Lofts- Clinton, IA

GROWTH continues to work diligently on securing financing for the redevelopment of the historic Wilson Building, at 215- 217 5th Avenue South in the heart of downtown Clinton, Iowa.

The project includes preserving and transforming the Wilson Building into a mixed-use development with residential rental units and first floor commercial space. The development includes the creation of 32 residential market rate rental units, reducing the first floor commercial space to a total 9,360 square feet facing 5th Avenue South, allowing for the development for two-story, townhome type apartments coming off the alley facing 6th Avenue South. Residential lofts are 504 square feet, with one and two bedroom rental units range in size from 660 to 1,330 square feet.

Redevelopment costs for Wilson Lofts totals nearly \$10.6 million and involves six layers of financing. **Five of the six funding sources have been secured** which include the following: Self-Supported Municipal Improvement District 2 (SSMID) from the Downtown Clinton Alliance, Tax Increment Financing from the City of Clinton, Workforce Housing Tax Credits from Iowa Department of Economic Development. GROWTH continues to work with local lending partners to securitize the TIF through private debt.

Fountain Square Apartments- Kankakee, IL

GROWTH continues its due diligence on a new construction residential development known as the Fountain Square Apartments, at the corner S. Schuyler Ave & Merchant St. in downtown Kankakee, IL. The \$10.7 million project includes the creation of 35 residential rental units. This new construction, residential effort will transform a vacant parking lot into a 64,000 square foot, residential development with 1 bedroom, 1 bath units at 900 square feet, and 2 bedrooms, 2 bath units at 1,150 square feet. Rent ranges from \$590-\$1,300 per month.

In 2014, GROWTH was invited by the City of Kankakee to perform a site visit to identify potential housing projects with an emphasis on downtown, from a community-based developer perspective, with an intent that the project would serve as a catalyst for additional investment and community impact.

Since that time, GROWTH worked in partnership with the City of Kankakee and community stakeholders to identify the highest and best use for its first residential development.

In July 2017, Kankakee stake holders came to Rock Island for a site visit to learn more about GROWTH's multifamily development success. GROWTH continues its due diligence for Fountain Square Apartments, with the project remaining in its 2017/2018 development pipeline.



HOUSING & PROGRAMS

307 EMPLOYEES

Purchased homes in Rock Island since 2003

\$30,148,884

In real estate transactions since 2003

\$1,631,408

In down payment/ closing cost assistance since 2003

TOP PARTICIPATING EMPLOYERS OF LIVE-WORK ROCK ISLAND HOMEBUYER PROGRAM



Rock Island-Milan School District #41

City of Rock Island

Augustana College

Rock Island Arsenal

UnityPoint Health-Trinity

John Deere

2017 Impact - Employer Assisted Housing Program



Since the beginning of Live-Work Rock Island in 2003, DARI has partnered with GROWTH to bring this unique down payment assistance program to DARI-member employees. GROWTH celebrated Phase Nine of this program in 2016, and hosted a news conference with the top participating employers, announcing a new phase that will assist an estimated 36 DARI-member employees purchase homes in Rock Island. The successful program continues to make an impact for the city of Rock Island, welcoming 20 new homebuyers during the first part of 2017. Those homebuyers received a total of \$157,410 in down payment and closing cost assistance. In addition, the Program assisted in generating \$2,305,330 in real estate transactions for the city in 2017 alone.

Since its beginning in 2003, EAP has **assisted 307** households with over **\$1.6 million** in direct home buyer assistance. The average assistance received per household is **\$5,500**. The program has generated over **\$30 million** in real estate transactions, with **49%** of participating households relocating to Rock Island from outside communities.

"GROWTH's Employer Assisted Housing Program serves as an Employer Assisted Housing Pilot Program for the State of Illinois. Now in Phase Nine, this program continues to serve as a national model for Live-Work housing providing a great incentive for homeownership in Rock Island for our local workforce community."

Brian Hollenback, President/ CEO.



EAP HOMEBUYER
Rock Island / Milan School District Employee



EAP HOMEBUYER
UnityPoint Health-Trinity Employee



EAP HOMEBUYER
Rock Island / Milan School District Employee



EAP HOMEBUYER
Rock Island / Milan School District Employee



EAP HOMEBUYER
UnityPoint Health-Trinity Employee



EAP HOMEBUYER
City of Rock Island Employee

HOUSING & PROGRAMS

FINANCIAL EDUCATION

Since the beginning of 2017, 86 potential homebuyers attended GROWTH's Financial Education Class. In order for homebuyers to use any of GROWTH's homebuyer programs or other housing programs offered by some organizations, they must first complete an 8-hour homebuyer education class, provided to them by GROWTH's HUD-approved, Freddie-Mac certified Housing Department staff. James Jones, Financial Education Coordinator, hired by GROWTH in February, has been advancing GROWTH's efforts in foreclosure prevention and intervention efforts, while building a stronger curriculum for GROWTH's homebuyer education class.



GROWTH hosts a monthly homebuyer education class, partnering with various industries to educate homebuyers on the homebuyer process, insurance, mortgage, and home maintenance.

"I want everyone enrolled in GROWTH's Financial Education and Homebuyer Education Class to approach the homeownership process with confidence and having the ability to make sound financial decisions. I'm dedicated to make a positive impact on the community."

*James Jones
Financial Education Coordinator*

24 HOMEBUYERS WELCOMED THROUGH GROWTH TO DATE IN 2017

GROWTH assisted 24 homebuyers purchase homes in Rock Island, IL and rural community of Fulton, IL to date in 2017. Twenty of those homebuyers purchased homes using funds through GROWTH's Employer Assisted Program, one homebuyer purchased GROWTH's home at 2705 28th Avenue, Rock Island; and the remaining three homebuyers purchased GROWTH's homes in Fulton, IL at 1603 7th Ave., 1220 13th Ave., and 822 9th Ave.

The homebuyers purchasing 2705 28th Ave., 1603 7th Ave., 1220 13th Ave., and 822 9th Ave. where homes acquired and rehabilitated by GROWTH through its Illinois Attorney General National Foreclosure Purchase-Rehabilitation Program. Sales proceeds from the sales are being reinvested in other GROWTH revitalization efforts throughout the region.



GROWTH acquired single family homes in Rock Island and Fulton through its funding received through the Illinois Attorney General National Foreclosure Settlement Funds. The homes were foreclosures and/or vacant properties in need of rehabilitation. All four homes sold in 2017, with proceeds earned going to reinvest in neighborhood stabilization efforts.



EAP HOMEBUYER
Economic Growth
Corporation
Employee



EAP HOMEBUYER
John Deere
Employee



EAP HOMEBUYER
John Deere
Employee



EAP HOMEBUYER
UnityPoint Health-
Trinity Employee



EAP HOMEBUYER
City of Rock Island
Employee

HOUSING & PROGRAMS

FIVE PRONG APPROACH

In an Attempt to Address Population Shift, Loss of Wealth, and Stabilize Property Values

GROWTH understands that investing in homes and communities across the state is an effective way to combat the ongoing effects of the housing crisis and assist with revitalization efforts. In 2017, GROWTH has been working diligently to implement various single family housing programs in an attempt to address the population shift, loss of wealth, and address stabilization of property values in Illinois.

Areas of the community with older housing stock are in particular need of accessibility upgrades to provide stable and affordable residences throughout the city. GROWTH is deploying precious dollars awarded by the Illinois Housing Development Authority for various programs including: Housing Accessibility Program, Foreclosure Prevention Program and the Illinois Affordable Housing Trust Fund- Single Family Rehabilitation Program. These programs advance efforts to stabilize property values and keep our aging population, those with disabilities, and families in their existing homes that may be at risk of relocation due to outstanding health and safety repairs, and improvements that need to be made to the home. **The following programs are being implemented by GROWTH throughout the region.**

Home Accessibility Program (HAP)

GROWTH was awarded \$192,600 in funds for the Home Accessibility Program, and rolled out the program in the second quarter 2017. The program provides a viable alternative to the possible premature institutionalization of senior citizens and persons with disabilities by funding repairs to remain in their homes by improving accessibility and safety throughout northwestern Illinois.

1 home currently under construction to improve handicap accessibility, with additional homes out to bid by end of August

Foreclosure Prevention Program (FPP) +

Foreclosure Prevention Program Graduated (FPPG)

GROWTH was awarded two separate funds for the Foreclosure Prevention Program totaling \$192,500. Funds will support capacity building, operational expenses, pre and post purchase counseling, foreclosure counseling and education, and staff/counselor training for GROWTH to support households that are facing foreclosure or the possibility of foreclosure.

Single Family Rehab Program

Rehabilitation assistance up to \$45,000 for homeowners to assist in health & safety improvements to their existing home.

Bids have been awarded for 3 homes to be rehabilitated for code compliance and health and safety improvements

HOUSING TRUST FUND

HOUSING ACCESSIBILITY PROGRAM

Program provides viable alternative to the possible premature institutionalization of senior citizens and persons with disabilities by funding up to \$15,000 repairs and improve accessibility and safety for homeowners to remain in their home.

ILLINOIS AFFORDABLE HOUSING TRUST FUND

SINGLE FAMILY REHABILITATION

Rehabilitation assistance up to \$45,000 for homeowners to assist in health & safety improvements to their existing home.

IHDA I-REFI

MORTGAGE RELIEF FOR ILLINOIS HOMEOWNERS UNDERWATER ON THEIR MORTGAGE

Offers up to \$50,000 in Federal Assistance through Dept. of Treasury's Hardest Hit Fund

Homeowner must be current on mortgage for at least 12 months. Credit quality for IHDA mortgage through participating lenders. Homeowner must be within IHDA's application income limits.

FORECLOSURE PREVENTION PROGRAM

TWO APPLICATIONS AWARDED

GROWTH was awarded two Foreclosure Prevention Program Funds totaling nearly \$200,000 to assist towards housing counseling & foreclosure prevention outreach programs.

Future programs in predevelopment to better assist clients that are at risk of being foreclosed upon.

BRIDGE INVESTMENT

NEIGHBORHOOD REINVESTMENT FUND

Allows for the purchase, renovation, and sale of neglected homes in the bi-state region of Iowa and Illinois. The initiative is made possible through forward commitments by Bridge Investment-member banks that Bridge loans out through participation agreements.

\$1.6 Million available in the first phase.

HOUSING & FINANCIAL EDUCATION CENTER

GROWTH's new Housing & Financial Education Center will bring people throughout the bi-state region to downtown Rock Island and will increase accessibility to GROWTH's housing programs and services. GROWTH's new national property management company, HOME BASE Property Management LLC, will also be located in the Center, creating six-to-eight new jobs by the end of the year.

Ribbon Cutting

September 2017



Central States Development Partners, Inc. GROWTH's national Community Development Entity, acquired 114 19th Street, Rock Island where a new regional Housing & Financial Education Center is opening. Central States is investing into the build-out and infrastructure. GROWTH will be moving its Single Family, Construction, and Property Management Divisions into the new Center by September 2017.

When GROWTH's Board of Directors made the bold decision to become a national non-profit in 2012, it had the vision of bringing new resources back for reinvestment in Rock Island. When those that wonder where GROWTH's new resources are going, they need not look any further than 114 19th Street in downtown Rock Island, IL.

It is with strong vision that GROWTH's Board of Directors are proud to introduce a new regional Housing & Financial Education Center to downtown Rock Island, anticipated to open in September 2017. The property was purchased by GROWTH's national Community Development Entity, Central States Development Partners Inc., which is investing in building upgrades and office buildout.

For over 35 years, GROWTH has successfully operated and managed programs that have assisted existing homeowners and new homebuyers in Rock Island and beyond. Its success measured by 1,271 improved homes you see in the community, and the 722 happy homebuyers that GROWTH helped in making their homeownership dream come true.

The creation of GROWTH's Housing & Financial Education Center puts GROWTH's housing resources in the forefront. In addition, the new Center will provide better access to those in need of housing assistance through various programs that GROWTH administers for homebuyers and homeowners, while providing enhanced opportunities for homebuyer education, financial literacy, and foreclosure prevention and intervention.



Mission

The mission of GROWTH's Housing & Financial Education Center is to provide fair and equal access to critical housing resources for underserved populations in an effort to promote wealth-building opportunities.

HOUSING & FINANCIAL EDUCATION CENTER



HOME BASE Property Management located in Housing & Financial Education Center

The formation of a property management arm of GROWTH emerged from a Strategic Planning Session of the Executive Board of Directors. The Board, GROWTH's President/ CEO, and key Directors worked to lay out the business plan for the next phase of growth within the organization. GROWTH took necessary steps, the last five years, to build its asset management and staff capacity with the intent to officially launch its property management subsidiary.

In May 2016, HOME BASE Property Management, LLC was formed as a legal entity to operate on a national scale. With a real estate portfolio of 347 residential rental units and over 40 commercial units. GROWTH has reached a crucial point for expansion in the area of asset management.

National Company increasing Employment Base

The creation of HOME BASE Property Management, LLC allows GROWTH to hire between six to eight new employees. The first hire was Mrs. Carey Jorgensen, as Director of Property Management. Carey is directly responsible for leasing and managing GROWTH's and DARI owned properties along with the residents and businesses that reside in those properties. With close to two decades of experience, Carey brings unlimited potential to the organization and the necessary capacity to run property management services.

Carey has played an instrumental role in forming Economic Growth Corporation's asset and property management company, bringing more than \$86.7 Million in assets under one management company LLC.

Within the next 90 days, Carey will manage approximately 347 units of multi-family rental housing, with approximately 690 tenants and over 40 commercial spaces in this newly created position.

Carey is responsible for HOME BASE Property Management daily oversight related to budgets and compliance, and is directly responsible for property management and maintenance staff.

Two new full time positions, Property Manager and Maintenance Technician, are being finalized, with start dates beginning in September 2017. Additional part time employment opportunities will become available soon. For more information, contact Carey Jorgensen, Director of Property Management by calling 833-786-2700 or cjorgensen@growthcorp.org.

www.HomeBasePM.com



CAREY JORGENSEN

DIRECTOR OF PROPERTY



Mrs. Carey Jorgensen has played an instrumental role in forming HOME BASE, bringing more than \$86.7MM in assets under one management company LLC.

Mrs. Jorgensen as the Director of Property Management is directly responsible for leasing, and managing of thirteen multi-family properties in Illinois and Iowa. Carey manages approximately 347 units of multi-family rental housing, with approximately 690 tenants throughout the region.

Mrs. Jorgensen gained her nearly 20 years of experience working for property management companies; Laborers' Home Development Corporation, ACC Management, and Ludwig & Company.

Kim Oldham was hired as part-time leasing manager and janitor for Lawrence Lofts in Sterling, IL. Ms. Oldham has 27 years' experience in property management, with an emphasis on affordable housing.

Joining her HOME BASE team in the next ninety days will be a full time Property Manager and full time Maintenance Technicians, in addition to other part time positions.

DOWNTOWN ROCK ISLAND PARTNERSHIP

9-Point Approach

GROWTH partners with The Downtown Rock Island Partnership to grow Rock Island, where GROWTH is headquartered and has over 30 years of investment. The Downtown Partnership is an shared effort between the Development Association of Rock Island (DARI) and The Downtown Rock Island Arts & Entertainment District.

This is being accomplished through a 9-point approach where efforts are being taken to preserve downtown Rock Island's historic and cultural heritage while also embracing an ever-changing environment.

GROWTH, along with its affiliate DARI, collectively own and manage over 40 commercial spaces in downtown Rock

Island. Collectively these organizations along with GROWTH's national property management company, HOME BASE, have created unique opportunities to retain and grow small business and residential growth in the downtown while encouraging an entrepreneurial spirit.

GROWTH remains committed to being inclusive of every downtown business person and ensure we provide each of them with greatest chance for success.

Through The Downtown Rock Island Partnership, a renewed effort has been made in order to raise awareness, inform and educate residents, community stakeholders and visitors on what is

happening in downtown.

The Downtown Rock Island Partnership aligns the past with the present and brings numerous partners from all sectors into the community building process.

DOWNTOWN ROCK ISLAND

ADVOCACY

MARKETING

REAL ESTATE

BUSINESS

COMMUNICATIONS

PLACEMAKING

PARTNERSHIP

EVENTS

MANAGEMENT

ENSURING DOWNTOWN IS A PRIORITY

PUTTING DOWNTOWN ON THE MAP

BUILDING PLACES & RE-DEVELOPING SPACES

EMPOWERING SMALL BUSINESSES & EMERGING ENTREPRENEURS

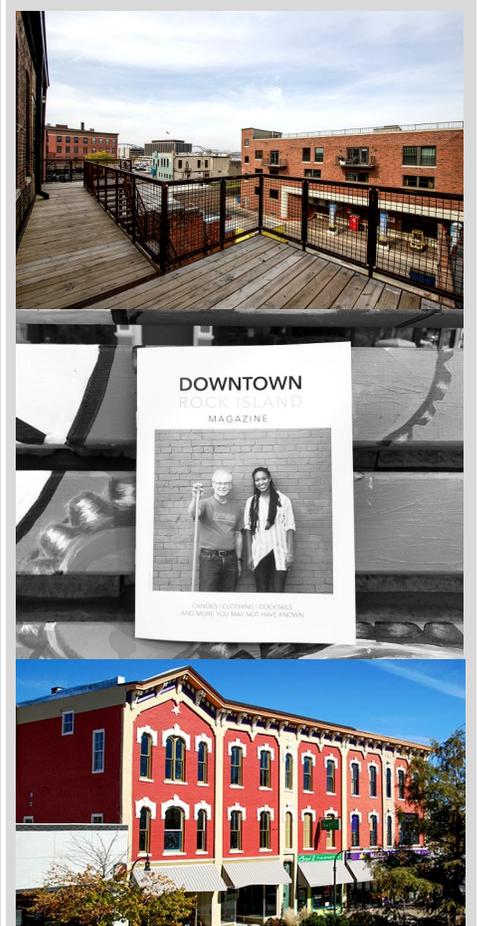
DELIVERING NEWS & UPDATES

CREATING A SENSORY EXPERIENCE OF DOWNTOWN

ESTABLISHING CRITICAL STAKEHOLDER RELATIONSHIPS

HOSTING SIGNATURE EVENTS & COLLABORATIVE PROMOTIONS

EXHIBITING THE HIGHEST STANDARDS OF EXCELLENCE



DOWNTOWN ACTIVITY

Six Month Timeline of Activity

GROWTH continues to support its partner organizations, The Downtown Rock Island Partnership, as it works to achieve its mission to grow and revitalize Rock Island as a destination for business growth, job creation and retention, arts and entertainment, and retail sales in partnership with the City of Rock Island business community.



Jake O's fire fund established – January 30

Fire damage caused significant damage and closure of Jake O's restaurant on Blackhawk Rd. in Rock Island. DARI stepped in and helped contribute \$1,500 towards establishing a fire fund for the business owner.

Downtown Partnership brand launched - February 27

A new brand complete with color scheme, typeface and logo was rolled out to begin the formal process of linking together the efforts of the The District and DARI.

DowntownRockIsland.org website launched – March 15

The totally redesigned, dynamic and mobile-friendly website features a community events calendar, downtown real estate listings, small business resources page, and a directory of amenities. The website has received 4,619 page views since its launch.

Rock Island declared "Rock Ireland" – March 18

The Mayor proclaimed that Saturday, March 18th would be known as "Rock Ireland" to capture the spirit of the St. Patrick's Day celebration. Local artists' painted shamrocks and Rock Ireland event t-shirts were made with inventory sold out.

2017 Martin Luther King Center's Rocktown 340 basketball program sponsorship – March 22

Provided DARI support for the youth basketball program at Martin Luther King Jr. Community Center in the amount of \$1,000.

Downtown Partnership office grand opening – April 6

A new storefront office location was opened for The Downtown Rock Island Partnership to serve as an assistance providing resource center and community meeting space.

Downtown Rock Island weekly e-newsletter launched – April 26

The revamped online newsletter reaches over 200 residents and local stakeholders on a weekly basis. The features include area news, organization updates and upcoming happenings around downtown.

Keep Rock Island Beautiful downtown cleanup – April 29

Participated in the annual downtown cleanup hosted by Keep Rock Island Beautiful.

Hosted the spring Gallery Hop! & Downtown Open House - May 5

With MidCoast Fine Arts, the Downtown Partnership co-organized the 19th annual Gallery Hop! in showcasing art venues, studios and galleries.

Great River Plaza stage canopy emergency repair May 11

High speed winds and forceful rain caused emergency repair needs to the stage canopy and DARI provided support in the amount of \$450 to restore it back to working condition.

DARI Capital Campaign kickoff & Downtown Rock Island Member Drive – May 17

Staff presented and met with businesses to welcome the support of community stakeholders and to become partners in our continued efforts of revitalization of downtown Rock Island.

DIY Downtown – June 7

A new series of public events held at the new downtown office on 2nd Avenue which will cover housing, food, health, entrepreneurship, education, arts, streets, energy and transportation issues in future months. 42 attendees talked on streetscape.

Gumbo Ya Ya turns the Great River Plaza into one big New Orleans style block party – June 10

The 25th anniversary of the annual signature event had over 2,500 people dancing to the music, enjoying gumbo and visiting local merchants.

Quad City Arts Metro Arts summer program sponsorship – June 14

DARI contributed \$500 for Metro Arts apprentices to begin the 18th year of creating art projects benefiting the community under the guidance of professional artists.

Downtown Rock Island Magazine summer issue released – June 15

Downtown's very own print publication hit the shelves packed with entrepreneurial stories, small business features and a full list of events happening over the summer.

BUSINESS ACTIVITY & DEVELOPMENT

New Businesses

Splash! bath bomb and essential oil opens in The Shoppes on 2nd

Christiana Headley, owner of Splash!, needed to get her home-based business out of her house and into a storefront location. The Shoppes on 2nd, a retail incubator owned by GROWTH, offered a great opportunity to test her idea in a bigger setting while providing an affordable lease rate to help her get started.



Healthy Harvest Urban Farms opens in GROWTH development

Healthy Harvest answers a high demand for fresh produce and grocery items located within downtown Rock Island's urban core. Healthy Harvest sells and will ultimately produce "hyper local" food within an urban, food desert environment.

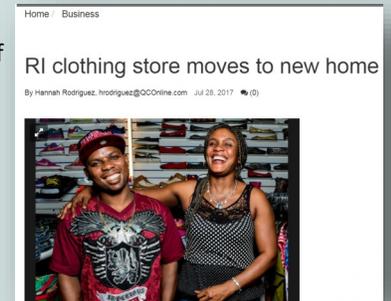
"Hyper local" includes food grown within 50 miles of Healthy Harvest, truly benefiting the local agricultural community. A total investment of \$215,000 was realized in downtown Rock Island's first ever organic grocery store, opened June 2017 in Goldman Family Block, a GROWTH owned mixed-use development along 2nd Avenue in downtown Rock Island. Healthy Harvest's mission is to increase access to local, organic food in an affordable way, focusing on food deserts. Twenty-seven local farmers within a 50-mile radius have signed on to provide local food to sell at the Rock Island store.



In order to meet the 20-year demand for fresh food access, GROWTH and its affiliates made bold moves in order for Healthy Harvest to open. Goldman Family Block LLC (a wholly owned subsidiary of GROWTH) provided flexible lease terms to Healthy Harvest as a commercial tenant, GROWTH General Contracting (a wholly owned subsidiary of GROWTH) assisted Healthy Harvest on the buildout, and DARI provided a forgivable loan in order to assist the small business in buildout. These bold moves advances the community's efforts in diminishing the areas "food desert" designation.

Merria's Trend Setters

Merria's Trend Setters offers urban street and foot wear, and had a successful ribbon cutting on July 29th. As refugees from Liberia, the family owned business has overcome much adversity and have realized their dream of opening their own business. GROWTH offered flexible lease terms in order to assist the small retail business in opening, and continue to promote it through The Downtown Rock Island Partnership.



New Business Opportunities: SEED ROCK ISLAND

GROWTH and Bridge Investments collaborated with The Downtown Rock Island Partnership to create new programs to assist needs of Rock Island businesses to open, grow, and expand. The package is called "SEED: Rock Island" and offers three programs to help immediate and emerging needs of small businesses, and in some cases, can complement other loan programs such as the Commercial Industrial Revolving Loan Fund offered by the City of Rock Island and Revolving Loan Funds by Bi-State Regional Commission.

Rock Start - Rock Island's first and only startup grant funding initiative that makes \$500 investments into its early-stage entrepreneurs looking to take a great idea and turn it into action. Rock Start is funded by private dollars through the Development Association of Rock Island.

R:INCUBATE - Start, build and develop your new business in one of two downtown Rock Island incubation spaces dedicated to the retail and wellness sectors. These locations are owned and managed by Economic Growth Corporation and the Development Association of Rock Island. Incubation helps expand your network, allows you to share resources, provides real-time feedback about your business, and receive a lower monthly rent rate.

riGROW - The innovative micro-lending program, funded by Bridge Investment Community Development Corporation, offers short-term, low-interest loans up to \$10,000 to local businesses in the 61201 zip code to expand their operations.



Executive Board of Directors

GROWTH Board

JAN MASAMOTO, JTM Concepts, Chair
DARYL EMPEN, Gas & Electric Credit Union, Vice-Chair
PHYLLIS SCHWINDT, Arthur J. Gallagher & Co., Secretary
STEVE OLLENBURG, Modern Woodmen Bank, Past Chair/ Treasurer

DARI Board

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AJ LOSS, Bush Construction Company, Vice-Chair
BILL RENK, Jumer's Casino & Hotel, Secretary
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CLYDE SCHOECK, Modern Woodmen of America, Retired President & CEO

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STEVE OLLENBURG (Past Chair/ Treasurer) Modern Woodmen Bank	AMY JONES Royal Neighbors of America	BERLINDA TYLER-JAMISON West Central Neighborhood
PHYLLIS SCHWINDT (Secretary) Arthur J. Gallagher & Company	ALAN KRUSE Pendulum Resources	SHELLEY SHEEHY River Cities Development Services
AMETRA CARROL-CASTANEDA Neighborhood Resident	BUZZ ROBINSON Retired, Rock Island Police	JANE SCHNEIDER RUHL & RUHL Mortgage
PHIL DENNIS KeyStone Neighborhood	LORI RODERICK Augustana College	

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Central States Development Partners

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IRV HENDERSON | Board Member, NCRC
TOM AYERS | City of Rock Island
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STELLA SCHNEEKLOTH | Project NOW
JIM BERGMAN | DD Development of Sterling
CHARLOTTE FLICKINGER | Char Flickinger & Associates LLC

Advisory Board

Bridge Investments

NINA EPSTEIN | Former Mayor, City of Kankakee, IL
DENISE ISAAC | Regions Bank
SHELLEY SHEEHY | River Cities Development Services
MOLLY NEWELL | EnviroNET
DAN HAWKINS | Ward, Murray, Pace & Johnson
SHELLY TUCCIARELLI | Turtle Clan Development Services
CHARLOTTE FLICKINGER | Char Flickinger & Associates LLC



Corporate Office:

**100 19th Street, Suite 109
Rock Island, IL 61201**



Housing & Financial Education Center:

**114 19th Street
Rock Island, IL 61201**

www.EconomicGrowthCorporation.com

www.HomeBasePM.com

www.BridgeInvestmentCDC.org

CDFI Fund: Pending Applications

The CDFI Fund was created by U.S. Congress in 1994 for the purpose of promoting economic revitalization and community development through investment in and assistance to community development financial institutions (CDFIs). The CDFI Fund achieves its purpose by promoting access to capital and local economic growth. This information was taken directly from www.CDFIFund.gov and is being brought to our readers attention as there are **three (3) pending applications pending with the CDFI Fund** in order to access the following programs in an attempt to bring capital and economic growth to underserved people and communities:

CDFI Fund: Community Development Financial Institutions Program

Bridge Investments has a pending application with the CDFI Fund to become a certified Community Development Financial Institution (CDFI). The CDFI Program allows the CDFI Fund to directly invest in, support and train certified CDFIs that provide loans, investments, financial services and technical assistance to underserved populations and communities. Bridge Investment's should receive its determination notification letter from the CDFI Fund by the end of August.

CDFI Fund: New Market Tax Credit Program

Central States Development Partners has a pending application with the CDFI Fund requesting \$65 Million in New Market Tax Credit Authority for the 2017 Application Round. The New Markets Tax Credit Program allows the CDFI Fund to provide an allocation of tax credits to Community Development Entities (CDEs) which enable them to attract investment from the private-sector and reinvest these amounts in low-income communities. Central States is a CDE that was successful in the CDFI Fund's 2015-2016 New Market Tax Credit Round where it was awarded \$45 Million in New Market Tax Credit authority. One hundred percent of its allocation has closed and/or allocated in less than four months and will create more than 2,007 jobs and provide over \$110 Million in new investment in rural America.

CDFI Fund: Capital Magnet Fund

GROWTH submitted an application with the CDFI Fund requesting \$4.6 Million in Capital Magnet Funds for the 2017 Application Round. The Capital Magnet Fund Program allows the CDFI Fund to provide competitively awarded grants to finance affordable housing solutions for low-income people and low-income communities nationwide. GROWTH's pending application focuses on affordable housing efforts in Iowa and Illinois.