



Shared Kitchen space. Exterior and interior renovation will be performed in accordance with the State Historic Preservation Office. Site work will include re-grading the parking lot, patio for community gathering, stormwater management, lighting, and landscaping. Investment is estimated at \$16.2 million and should serve as a catalyst for additional investment in the surrounding South Marshall Street community.

Phase II expects to build on the momentum of 1007 and connect the shared kitchen space of the 1001 and 1007 buildings with more workspaces, preparation areas, pods, value-added packing areas, and refrigerated space. By the end of 2024, all 130,000 square feet are projected to be activated with the shared use kitchen, as well as culinary workforce training, entrepreneurial and scale-up production space, and community arts programming to serve the community. Phase II investment is expected to total \$31.2 million.

In January 2023, the developer requested the use of the \$2 million of City funds for construction upfit of 1007 during Phase I, and City Council returned the request to Finance Committee. The developer is now requesting a modification that would split City assistance into \$1 million for Phase I and \$1 million for Phase II, with City funds the last money in for each phase.

The City's commitment for both phases would terminate if the 1007 space is not operational within 18 months of execution of the development agreement, and commitment for Phase II would terminate within 24 months of activation of the 1007 space if the 1001 space is not operational. Each space would be considered "operational" once they achieve a minimum of 10 on-site jobs and a minimum of 10,000 square feet is in use. City funds would be focused on providing workspaces and services for city residents, including, but not limited to, low- to moderate income persons and small businesses.

N.C.G.S. 160D-1311 authorizes local governments to expend funds for assistance and financing of rehabilitation of private buildings principally for the benefit of low- and moderate-income persons. Funds can also be used for the restoration or preservation of older properties.

If approved by City Council, the attached resolution authorizes staff to take the necessary steps to execute an agreement with 1001 S. Marshall MM, LLC to provide the City's \$2 million in financial assistance. The developer would escrow the City's funds, along with other sources, and would not access the funds until the funding for each phase is in place.