

City Council – Action Request Form

Date: January 13, 2020

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Evan Raleigh, Assistant City Manager
Ken Millett, Office of Business Inclusion and Advancement Director

Council Action Requested:
Resolution authorizing the allocation of Revitalizing Urban Commercial Area (RUCA) and Commercial Redevelopment of Blighted Areas funds for a project in the 14th Street/New Walkertown Road area

Strategic Focus Area: Economic Vitality and Diversity
Strategic Objective: Promote Commercial Development in Economically Disadvantaged Areas
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:
This item was originally discussed at the Finance Committee meeting in December 2019.

In 2006 City Council established the Revitalizing Urban Commercial Areas (RUCA) Program to help revitalize some of the city’s declining urban commercial areas. The attached report outlines RUCA projects by Phase I, Phase II, and Phase III. It also reflects the first project approved by Council in October 2019 that utilizes Commercial Redevelopment of Blighted Areas from the 2018 bonds. Financial assistance is available in the form of both Low Interest Loans and Matching loans.

The owner of 2500 New Walkertown Road, Mr. Rajesh Shah, plans to construct a new 3,600 square foot multi-tenant commercial building providing storefronts space for a laundromat, an office or retail tenant, and a takeout restaurant. The site previously had a car wash that has been demolished. The project will also connect the new building to the adjacent convenience store/gas station, which has been owned and operated by Mr. Shah for over 20 years. In response to a question at December committee meeting, Mr. Shah confirmed that he banks with a local branch serving the East Winston community.

Committee Action:

Committee	Action
_____	_____
For	Against
_____	_____
Remarks:	

The property is located within the 14th Street/New Walkertown Road RUCA. Mr. Shah engaged an architect for construction drawings, and construction drawings have been approved by Inspections. The project was competitively bid by the owner, and he estimates total construction cost to be \$817,190, including contingency. City staff has reviewed the bid information and deemed the cost reasonable.

Mr. Shah requests assistance totaling \$817,190 split evenly between Low Interest Loan (\$408,595) and Matching Loan (\$408,595). Staff has identified potential funding sources as remaining balances from RUCA II and III totaling \$66,725. The remaining of \$750,465 would come from the Commercial Redevelopment of Blighted Areas balance of \$1,848,000. Mr. Shah owns the property free and clear, and the City would be in first lien position as security for the loans.

Based on discussion at the Finance and General Government Committees, the attached RUCA report has been updated to reflect the appropriate ward location and the status of each loan. It also identifies any remaining balance from each phase, as well as noting if the funds had been previously allocated to a specific RUCA.