

City Council – Action Request Form

Date: August 2, 2017

To: The City Manager

From: Evan Raleigh, Director of Business Inclusion and Advancement

Council Action Requested:

Adoption of a Resolution approving the allocation of Revitalizing Urban Commercial Areas (RUCA) III funds for the 14th Street/New Walkertown Road area.

Summary of Information:

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 general obligation bonds approved in 2014 designated an additional \$2 million for a third round of RUCA projects. City Council has authorized RUCA III funding totaling \$986,340.13: \$885,340.13 in the Patterson/Glenn area and \$101,000 in the Old Greensboro/Barbara Jane area.

In June of 2017, City Council approved a resolution making remaining RUCA III funds available to additional RUCA areas, including the 14th Street/New Walkertown Road area. 2600 NWR, LLC has an agreement to purchase the former Church’s Chicken fast food restaurant at 2600 New Walkertown Road for a total of \$330,000. 2600 NWR, LLC will put 30% down with the seller financing the 70% balance of the purchase price.

The new owners plan to upfit the building and open *Zesto*, a fast food franchise specializing in hamburgers and ice cream. A separate entity, GCDC, LLC will serve as the operator for the restaurant and is requesting a \$100,000 small business loan to assist with working capital and furniture, fixtures, and equipment. That request is currently under consideration by the Small Business Loan Committee. Release of any funds approved as a part of GCDC, LLC’s small business loan request would be contingent upon the Mayor and City Council’s approval of the requested RUCA assistance.

The owners estimate building rehabilitation costs of \$260,000 to upfit the space. RUCA III assistance totaling \$260,000 split evenly between RUCA Low Interest loan (\$130,000) and RUCA Matching loan (\$130,000). The source of funds would be RUCA III bond money.

Committee Action:

Committee	Finance 8/14/17	Action	Approval
For	Unanimous	Against	

Remarks: