

Information Item

Date: March 20, 2019

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

From: Evan Raleigh, Assistant City Manager
Tasha Logan Ford, Assistant City Manager

Subject:

Information on Previously Approved Job Creation and Economic Development Agreement between the City of Winston-Salem and S.G. Atkins Community Development Corporation to Acquire and Assemble Commercially-Zoned Properties and Others as Allowed by Law in the East End for Economic Development Purposes and the Agreement between the City of Winston-Salem and S.G. Atkins Community Development Corporation to Support Project Management Services Associated with Implementation of the East End Master Plan

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: Promote Commercial/Economic Development in Economically Disadvantaged Areas and Job Creation

Strategic Plan Action Item: No

Key Work Item: No



In September of 2016, the Mayor and City Council authorized funding for the S.G. Atkins Community Development Corporation (CDC) to enter into a contract with the planning and design firm Ayers Saint Gross to lead the development of a master plan for the area bounded by Martin Luther King, Jr. Drive, Business 40 and US 52 known as the East End. The planning process was designed to support the community's vision for the area and to serve as a guide for future public-private partnership opportunities. This participatory planning process resulted in the creation of a master plan released and shared with the public in August of 2018.

In addition to the agreement which supported funding for the master planning process, the City also authorized \$60,000/year for three years from the Housing Finance Assistance (HFA) Fund to assist the CDC with the implementation of the plan by hiring a Real Estate Development Project Manager.

In June of 2018, the Mayor and City Council authorized the City Manager to enter into an agreement with the CDC to acquire commercially-zoned properties and other properties as allowed by law in designated areas of the East End area.

The action also authorized the allocation of \$3 million in 2014 general obligation bond funding to support the acquisition and assemblage of commercial properties and others as allowed by law in the East End area for the purpose of economic development, business and job creation under N.C.G.S. 158-7.1.

In September of 2018, the Mayor and City Council authorized the City Manager to enter into a second three-year agreement with the CDC that allocated \$60,000 per year from the Economic Development Project Reserve Fund to support project management and a Real Estate Development Project Manager position tasked with implementing elements of the East End master plan.

Upon the approval of both of these items by the Mayor and City Council, staff immediately began work to draft language for each agreement. Discussions pertaining to the agreement for project management services were put on hold while city staff worked to finalize the language for the development agreement. To date, neither agreement has been executed but language for the development agreement is close to being finalized.

In an effort to make the economic development bond funds originally intended for the exclusive use of the CDC available to a broader group of potential development partners in the East Ward, Council Member Scippio has requested staff prepare a resolution that would rescind both the previously approved Job Creation and Economic Development agreement between the City and the CDC and the new three-year agreement between the City and the CDC supporting project management services dedicated to carrying out elements of the East End master plan.

Based upon direction from the Mayor and City Council, staff could prepare a resolution that would rescind both agreements between the City and the CDC while also stipulating that the \$3 million in 2014 general obligation bond funds would remain designated to support projects within the East Ward. The resolution would also make clear that the CDC would remain eligible to access the GO bond funds should it present a qualifying project in the project area.