



Office of Business
Inclusion and Advancement

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Memorandum

TO: Mayor Joines and Members of City Council
FROM: Evan Raleigh, Director of Business Inclusion and Advancement
DATE: June 6, 2017
SUBJECT: Overview of Revitalizing Commercial Areas (RUCAs) Program
CC: Lee D. Garrity, City Manager

In 2002 the Mayor and City Council recognized the problems and issues associated with declining commercial areas and their impact on the health of our City and neighborhoods by including the revitalization of such areas in its *Strategic Plan*. Council noted that underutilized, unutilized, and blighted properties are in need of financial assistance to change the disinvestment trend in certain areas of the City.

The Mayor and City Council established the Revitalizing Urban Commercial Areas (RUCAs) Program in 2006 to assist in the revitalization of the City's declining urban commercial properties by providing low-interest loans and matching forgivable loans as an incentive to encourage building and site improvements. When the RUCAs were originally identified, rankings were determined by the level of dilapidation/deterioration based on factors such as broken or boarded up windows and doors; holes or cracks in walls and foundations, decaying facades, leaking or collapsed roofs, broken signage or fencing, overgrown vegetation, trash on the property, and vacancy rates.

A total of 33 RUCAs were identified and split into three tiers based on need: 11 in Tier I (most in need); seven in Tier 2; and 15 in Tier III (least in need). Common characteristics of Tier I areas included the poor condition of infrastructure/amenities, poor condition of business sites, crime or perception of crime, lack of neighborhood serving land uses, and the undesirable concentration of uses. Detailed maps for each Tier I and II area were created along with the types of problems/issues for individual sites to serve as a guide for revitalization efforts.

For the first phase of RUCAs, Council authorized up to \$1.5 million in Certificates of Participation (COPS) funds for use in the three original Tier I areas that submitted proposals: Liberty Street, Washington Park, and Woughtown/Thomasville. RUCAs funding was also designated for public infrastructure improvements in the areas. Because the level of funding for each area was approved based on potential projects as identified by the submitter of the proposals—in most cases a non-profit serving the area—not all projects moved forward.

Council allocated up to \$2.8 million from the Dell repayment fund initiative for a second phase of RUCAs in 2011. The areas eligible to apply included any Tier I or II area that had not been previously approved funding. Proposals from five areas were approved for funding: Ogburn Station, West Salem, Peachtree/Woughtown, King Plaza, and Cherry/Polo. The level of funding was based on potential projects submitted as part of the proposals. As with the first phase, not all individual projects submitted a project application or moved forward.

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City Council: Mayor Allen Joines; Vivian H. Burke, Mayor Pro Tempore, Northeast Ward; Denise D. Adams, North Ward; Dan Besse, Southwest Ward; Robert C. Clark, West Ward; John C. Larson, South Ward; Jeff MacIntosh, Northwest Ward; Derwin L. Montgomery, East Ward; James Taylor, Jr., Southeast Ward; City Manager: Lee D. Garrity

The general obligation bonds approved in 2014 designated an additional \$2 million for a third phase of RUCA projects. The areas eligible to apply included any Tier I or II area that had not been previously approved for funding in the previous phases. Proposals from three areas were submitted and have been approved for funding to date: Patterson/Glenn, Old Greensboro Road, and Jetway. The owners of Jetway shopping center subsequently withdrew their request.

Since the program's inception, more than 30 commercial properties have been physically improved as a result of the RUCA program. RUCA investments have leveraged in excess of \$10 million in private investment and have visibly improved the quality and character of the areas in which these commercial centers are located. Many of these projects have served as economic catalysts in their respective areas. As an example, prior to the RUCA investment in the Southeast Plaza Shopping Center, vacancies rates in the center were approximately 67%. At present, after the completion of several phases of RUCA-assisted construction, the vacancy rate stands at 35%.

Attached to this memo is a document which provides a visual representation of the property improvements that have been made possible as a result of the investment of RUCA funds.