

City Council – Action Request Form

Date: February 10, 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 Areas (RUCA) and Commercial Redevelopment of Blighted Areas (CRBA) 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 during the December and January City Council committee meetings.

Mr. Rajesh Shah, the owner of 2500 New Walkertown Road, plans to construct a new 3,600 square foot commercial building with three tenant spaces, including a storefront for a takeout restaurant. A car wash previously on the site has been demolished. The project will also connect the new building site to the adjacent convenience store/gas station, which has been owned and operated by Mr. Shah for over 20 years. Mr. Shah confirmed that he banks with a local branch serving the East Winston community.

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.

Committee Action:

	Finance 2/10/2020 CDHGG 2/11/2020	Action	Approval
For	Unanimous	Against	
Remarks:			

At the January committee meetings, Mr. Shah requested assistance totaling \$817,190 to be split evenly between a Low Interest Loan and Matching Loan. Based on feedback provided by Council Members during those meetings, he subsequently has been approved by BB&T for a \$400,000 loan towards the project. The modified request now seeks a Matching Loan of \$400,000 from the City. Matching loans are deferred and forgivable. Construction costs exceeding \$800,000 will be the responsibility of Mr. Shah.

Staff has identified potential funding sources as remaining balances from RUCA II and III totaling \$66,725. The remaining \$333,275 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 second lien position behind BB&T.