

Project Funding Updates

JOBS AND ECONOMIC DEVELOPMENT COMMITTEE

1

Project Funding Opportunities & Priorities

Council Priority Alignment

- Workforce and Business Development

Purpose

- Discuss funding strategies for partnership opportunities highlighted in recent committee meetings

Key Takeaways

- Available & recommended funding sources
- Partnerships deliver significant benefits for surrounding communities
- Action requested

2

Potential Partnership and Investment Opportunities

- ▶ Excelsior
- ▶ Spangler's Market
- ▶ Do Greater
- ▶ The Institute

The Excelsior



The Excelsior

Community Commitments	
2nd chance hiring	<i>Recruit & employ individuals with criminal records, unemployed or underemployed</i>
Free culinary training	<i>Certification program led by master chef in partnership with Lucille's Kitchen</i>
Community dinners	<i>Free holiday dinners for those in need to support reducing food insecurity during holiday season</i>
Event space	<i>Event space room free of charge during breakfast and lunch hours</i>
Impact mentoring	<i>Continuation of summer Impact Camp</i>
Performing arts space	<i>Performance space for music, visual art, dance, etc.</i>
Personal finance courses	<i>Free course offering in partnership with local bank</i>
Community festivals	<i>Host small cultural events & festivals featuring local vendors, artisans, and artists</i>
Farmer's market	<i>Fresh produce market to address food insecurity in the community</i>

The Excelsior

Request for Public Investment	
Total Cost of Development	\$8,300,000
Net Operating Income (Annual)	\$57,000
Return on Investment	0.69%
Ask of City	\$1,500,000
Ask of County	\$1,500,000
Funding by Developer/Foundations	\$5,300,000

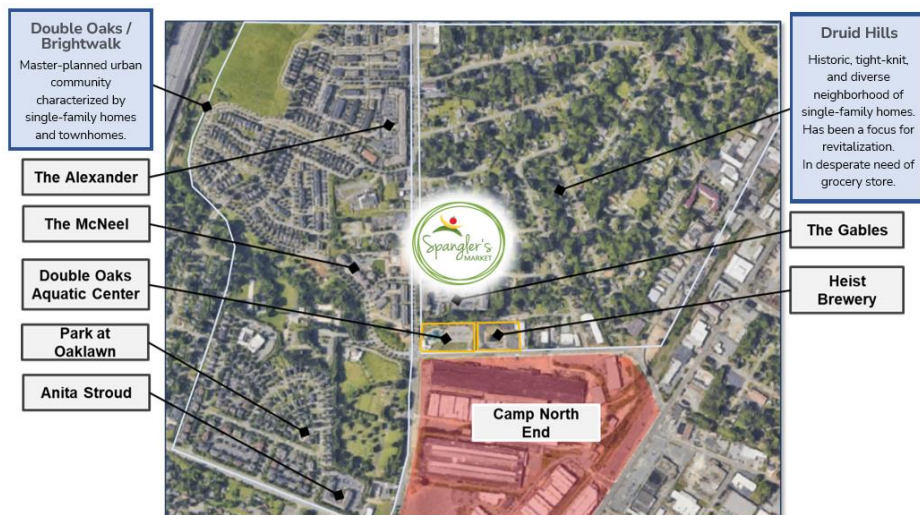
Spangler's Market

► New independent grocery store on Statesville Avenue

- 6,930 SF full-service grocery store offering fresh produce, meats, seafood, pantry staples, and prepared foods
- Primary service area is Druid Hills / Double Oaks areas
 - *USDA-designated food desert with below-median income and limited vehicle access*
- Create 40 new jobs with priority for local hiring
- Accepting WIC/SNAP benefits
- Senior discounts and free delivery for nearby seniors
- Partnerships with Carolina Food Trust and other local food organizations



Spangler's Market



Spangler's Market



Spangler's Market

- ▶ **Market isn't feasible without public support**
- ▶ **Seeking support from City and County**
 - \$1.0M from County
 - \$500k from City
- ▶ **Terms will include protections for public investment**
 - Timing of public investment
 - Clawbacks if operations cease before agreed-upon timeframe or if it's sold within that timeframe

Project Cost	
Pre-Development Soft Costs	\$125,000
Land Cost	\$1,250,000
Development Cost	\$3,500,000
Development Contingency	<u>\$175,000</u>
Total Project Cost	\$5,050,000
Capital Sources	
Equity	\$1,250,000
Cash on Hand	\$100,000
Social Impact Funds	\$200,000
County Grant	\$1,000,000
City Grant	\$500,000
Lisc Loan	<u>\$2,000,000</u>
Total Capital Sources	\$5,050,000

Do Greater

► Creative Lab Uptown

- Focused on ecosystem of opportunity
- Physical space uptown with programming in:
 - *Entrepreneurship and Innovation*
 - *Creative workforce skills*
 - *Creative tech*
- Construction 60% complete
- \$4M committed in private investment
- City request: \$750,000



The Institute

► Corridors of Opportunity Collaboration Proposal

- Focus on small businesses, non-profits and CDCs located in the Corridors of Opportunity
 - *Programming and services include:*
 - **Technical assistance, training and certifications**
 - **Access to capital through microloans**
 - **Access to office and meeting space**
 - **Mentorship network**
 - *MOU with ULCC for trades certification training*
 - *City request: \$1.28M over 2 years*



Project Funding Matrix

Funding Source	Project			
	Excelsior	Spangler's Market	DoGreater	The Institute
Council's ARPA	✓	✓	✓	✓
P3 Neighborhood Bonds (transportation/ infrastructure)				
CoO Neighborhood Bonds (transportation / infrastructure)				
CoO (PayGo)	✓	✓		
TIG				
Cash/PAYGO				

✓ Potential funding source

Funding Requests & Recommendation

► Proposed projects with funding requests

- Excelsior Club - \$1.5M
- Statesville Grocery Store - \$500K
- Do Greater - \$750K
- The Institute - \$1.28M over two years
- Total requested = \$4M

► Staff Recommendation

- Investment using Council ARPA & Corridors of Opportunity P3 funds
 - *Excelsior (\$1.5M)*
 - *Spangler's Market (\$500k)*
 - *Do Greater (\$750k)*
- Continue further evaluation
 - *The Institute (\$1.28M)*

Next Steps

► Committee action:

- Refer funding recommendations to City Council for Council consideration and recommend approval

