

Legislation Text

File #: 15-14539, Version: 1

Corridors of Opportunity Rehab Loan to E-Fix Development Corporation for 2020 Beatties Ford Road

Action:

- A. Approve a Rehab Loan in an amount not to exceed \$904,000 to E-Fix Development Corporation (Developer) for rehabilitating the property and building located at 2020 Beatties Ford Road (the Property), and**
- B. Authorize the City Manager to negotiate and execute a Business Matching Grant contract not to exceed \$180,000 with E-Fix Development for façade, security, and interior upfit improvements, contingent upon receipt of successful application by the Developer.**

Staff Resource(s):

Tracy Dodson, City Manager's Office
Todd DeLong, Economic Development

Explanation

- In 2007, City Council adopted the policy for the city to take a leadership role in developing and implementing public and private collaborative strategies and investments that aim to:
 - Attract private sector investment to grow jobs, businesses, and services;
 - Expand the tax base in the business corridors; and
 - Support the revitalization of the corridors into mixed use areas promoting the adjacent neighborhoods as safe, viable, and sustainable.
- In 2020, City Council enhanced the city's commitment to corridor revitalization through the Corridors of Opportunity initiative.
 - The city is concentrating its resources at the intersection of Beatties Ford Road and LaSalle Street by investing and facilitating initiatives in specific locations within each corridor to ensure long-lasting and positive impacts are realized sooner than they would be through a piece-meal approach. This includes work in transportation and infrastructure, talent and employment, public Wi-Fi, placemaking, and other initiatives.
- The Developer proposes a full rehab of the interior and exterior space of the property currently referred to as Krystle Village located at the intersection of Beatties Ford Road and LaSalle Street.
- The Developer will apply for the city's Matching Grant Programs - façade, security, and interior upfit.
 - If approved through the application process, E-Fix may be awarded up to \$180,000 in matching funds. An additional 10 percent match may be applied if the developer engages certified MWSBE firms for eligible work.
 - Matching grants will be reimbursed by the Business Corridor Revitalization Program.
- The Developer is seeking additional financial support to renovate the site located at the Beatties Ford Road/LaSalle Street intersection.
 - The Developer has requested a \$904,000 loan from the city to support its revitalization efforts.
 - Staff recommends that Council consider an interest-only Rehab Loan with the following general terms:
 - Interest at prime + 1 percent (4.25 percent);

- Full repayment of principal balance upon second refinance, sale of property assignment of ownership of the property, or 20 years, whichever occurs first;
 - The city will require interest only payments on monthly basis
 - Deed of trusts will be placed on the property until such time the principal balance is paid in full;
 - Loan funds must be applied to rehabilitation of commercial space located at 2020 Beatties Ford Road;
 - City will retain a third party to service the loan on behalf of the city; and
 - The applicant will be subjected to the third party's underwriting criteria
- Rehab Loan will be funded by Corridors of Opportunity.

Fiscal Note

Funding: General Capital Investment Fund

Attachment(s)

Map