



CITY OF DURHAM | NORTH CAROLINA

Date: December 15, 2011

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Kevin Dick, Director – Director, Office of Economic and Workforce Development
Christopher Dickey, Senior Manager - Economic Development
Peter Coyle, Cultural and Business Initiatives Coordinator

Subject: Amendment to the Building Improvement Grant Contract with 300 E. Main Street, LLC

Executive Summary

This item recommends the approval of an amendment extending the completion date of the Building Improvement Grant agreement between 300 E. Main Street, LLC and the City of Durham dated April 18, 2011.

Recommendation

The Office of Economic and Workforce Development (OEWD) recommend that the City Council authorize the City Manager to execute an amendment to the Building Improvement Grant agreement between 300 E. Main Street, LLC and the City of Durham dated April 18, 2011.

Background

On April 18, 2011, the City Council approved a Building Improvement Grant of \$75,000.00 for economic incentive improvements to a building located at 300 E. Main Street, in Durham, in the Downtown Development Tier.

Issues and Analysis

In a letter dated December 12, 2011, 300 E. Main Street, LLC informed OEWD that it will be unable to complete the building improvement project by April 18, 2012, the completion date provided in the original Agreement. In the letter, the company stated

it has a letter of intent from a proposed tenant. The tenant is requesting more time to finalize plans and requirements for the space.

300 E. Main St., LLC informed OEWD that the redesign of the first floor of the building to accommodate the interests of the proposed first floor tenant resulted in a delay for the start of renovations, which, by the current contract terms, must begin by January 18, 2012 and must be completed by April 18, 2012. The delay will add approximately four months to the estimated completion of the project.

The improvement of the building at 300 E. Main Street will contribute to economic development in Downtown Durham. Although one of the objectives of the Building Improvement Grant Program is to fund projects to be completed within twelve months, staff recommends approval of the extension because such an approval would be consistent with the broader visions of the New Downtown Master Plan, which include upgrading the aesthetics of street level spaces and creating more viable spaces for retail activity. The project is consistent with the Citywide Strategic Plan goal for a strong and diverse economy. The revisions to the original renovation designs will be consistent with the plans and will better serve the needs of the identified tenant.

Alternatives

The City Council may choose to reject the recommendation extend the agreement or approve a different length of time for the extension. Such decisions may impact the abilities of this project to meet the broader visions of the aforementioned plans.

Financial Impact

Extending the contract by four months will have no financial impact, as the amount of the grant will not change.

SDBE

An SDBE summary is inapplicable because no project-specific goals have been set and no SDBEs are involved in this item.

Attachments:

Amendment to Agreement between 300 E. Main Street, LLC and the City of Durham for Building Improvement Incentives for Economic Development.