



**Date:** August 1, 2012

**To:** Thomas J. Bonfield, City Manager

**Through:** Keith Chadwell, Deputy City Manager

**From:** Kevin Dick, Director, Office of Economic and Workforce Development  
Grace Dzidzienyo, Economic Development Senior Manager

**Subject:** Recommendation to Enter into a Community Development Grant Agreement with Bull City Urban Market, LLC

**Executive Summary**

This item describes the economic/community development project proposed by Bull City Urban Market (BCUM) within the Community Development Area in the City of Durham (CDA). The BCUM site at 800 Taylor Street has been deemed by Office of Economic and Workforce Development (OEWD) and key stakeholders of the NECD Livability Initiative as a short-term catalytic project.

**Recommendation**

OEWD recommends that the City Council authorize the City Manager to execute a community development grant agreement with Bull City Urban Market in an amount not to exceed \$47,740.00 for a building renovation project at 800 Taylor Street, Durham NC.

**Background**

In 2005, the Office of Economic and Employment Development (OEED) (renamed OEWD in 2006), commissioned RKG Associates, Inc. (RKG) to conduct a neighborhood economic assessment of two targeted community areas. One of the six fundamental principles for the study was to ensure that revitalization meet the needs of existing residents. A key recommendation from RKG was the need to provide grocery store options which could serve a large portion of the Northeast Central Durham neighborhood, including the residents of the Hope VI project, the Hosierey Mill and the new residents of Golden Belt. In addition, keeping a grocery store within walking distance of these developments was seen to not only support the success of the residential developments but also the commercial offices. Furthermore, the revised Downtown Master Plan of 2008 included a stated objective of a grocery store being located within downtown. BCUM would be in a location that is conducive to meeting both objectives because it is easily accessible to both of these areas.

BCUM is a part of a 175,000 square foot three-story industrial building that was originally constructed in 1901 as Golden Belt Manufacturing. The site has had a history of industrial/light-manufacturing uses and its current operations include industrial manufacturing, (constructed in the early 1970's), commercial office space (constructed in the early 1990's) and recently, art-centric anchor tenants such as the Scrap Exchange, Liberty Arts, Reuse Warehouse and the Bull City Urban Market.

On August 15, 2010, through the City of Durham's American Recovery and Reinvestment Act (ARRA) Environmental Protection Agency (EPA) Brownfields Assessment Project, a Phase I Environmental Site Assessment Report for 800 Taylor Street was completed. The

findings from the assessment revealed that the property can be used for commercial and industrial uses; therefore, BCUM would be a compatible use.

The implementation of the Brownfields Assessment ARRA grant program was part of the City's effort to assess potential reuse or redevelopment properties, which may be complicated by the presence or perceived presence of environmental contaminants.

**Issues and Analysis**

The site has been designated as an integral part of the revitalization efforts in the City of Durham. The developer has an interest in making its location at 800 Taylor Street, an art-centric location for it to become a destination point for the region related to the arts. BCUM is conducive with this objective because of its international theme and cuisines.

The reuse of this site would create an environment for the community to participate in many art and cultural events while promoting healthy eating habits through BCUM. BCUM will provide access to nutritious and quality fresh foods for low and moderate income families, as well as downtown residents that earn higher than average incomes. A goal of BCUM is to eliminate what is perceived by many within the NECD Livability initiative to be a food desert and to promote food justice in central-city Durham. Additional benefits include job creation from BCUM, support for local farmers and other economic development related residuals from arts and cultural activities.

Although BCUM has been proactive in seeking financial support with the restoration of the building, it still needs additional funding to complete the project. They submitted a request for funding to the City on or around March 13, 2012, to assist with items such as a wireless retail communication system, a new electrical meter installation, restroom, and the construction of an entrance door. After several assessment meetings with City departments, the request for funding had been revised to reflect additional work.

Although OEWD normally fund performance-based, economic incentive projects attached to deliverables that must be accomplished before payments are made, this grant project is proposed under the authority of NCGS 160A-456(a)(1), which allows for a City to participate in making grants for the restoration or preservation of older neighborhoods or properties. The proposed project would help in renovating and restoring an old property within an historic, older neighborhood. The request for funding would include the uses in the table below:

Priority	Item	Cost
1	Bathrooms	\$15,000.00
2	Electrical Meter (Electrical Panel plus (2) Meters)	\$8,000.00
3	Front Entrance Door ( Front Entrance Sliding Door plus Installation)	\$7,000.00
4	Architectural Fees	\$8,000.00
5	HVAC	\$9,740.00
Total Cost		\$47,740.00

Note: Qualified capital expenditures are referenced in the Economic Development Financial Assistance and Incentive Policy for Job Creation, Job Retention and Capital Investment approved by City Council April 2011.

**Alternatives**

The City Manager may reject the recommendation to approve the funding or may choose to award a grant for a different amount. Not funding the project would delay the completion of the project and its viability. The requested funds are needed to complete essential elements of the project such as the bathroom, front door and electrical meter installations, and cash register system. The proposed project will have positive effects on a Brownfields reuse site and contribute to the innovative business climate occurring in the neighborhood.

**Financial Impact**

Funding for this project will be expended from the Neighborhood Revitalization Fund allocation.

**SDBE Summary**

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

**Attachments**

Agreement to Fund Bull City Urban Market, LLC, Using City of Durham Grant Funds for Neighborhood Revitalization Building Restoration