



CITY OF DURHAM | NORTH CAROLINA

Date: May 22, 2012

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 Community Reinvestment Association of North Carolina to Extend the Contract to December 31, 2012

Executive Summary

This item recommends the approval of an amendment to a Building Improvement Grant agreement between the Reinvestment Partners (formerly “Community Reinvestment Association of North Carolina”) and the City of Durham to allow an extension of the time to complete the incentive project.

Recommendation

The Office of Economic and Workforce Development (OEWD) recommends that the City Council authorize the City Manager to:

1. Hold a public hearing on the proposed amendment to an economic development incentive agreement per G.S. 158-7.1; and
2. Authorize the City Manager to execute an amendment to the incentive contract with Reinvestment Partners (formerly “Community Reinvestment Association of North Carolina”) to extend the contract from an end date of April 18, 2012 to December 31, 2012.

enter into a contract to amend the agreement between the Community Reinvestment Association of North Carolina and the City of Durham related to a Building Improvement Grant awarded on April 18, 2011 that would extend the deadline for completion to December 31, 2012 and change the name of the corporation in the contract to reflect the legal change in name of the corporation.

Background

On April 18, 2011, the City Council approved a Building Improvement Grant of \$75,000.00 to Reinvestment Partners to complete renovations of a distressed residential building to create 1,500 square feet of commercial office space and to restore the original architectural character of a building located at 1201 N. Roxboro Street, in Durham. The total capital investment by Reinvestment Partners is \$188,500.00, an improvement within the Community Development Area outside around downtown.

Issues and Analysis

In an e-mail on April 18, 2012 and a letter dated April 30, 2012, Reinvestment Partners, informed OEWD that it had been unable to complete the building improvement project by April 18, 2012, the completion date provided in the original Agreement. In the letter, the company provided the following reasons:

The project has received site approval. The last item remaining for approval to obtain the building permit is a contract with the builder. This design and approval process took longer than expected due to delays by the design build company.

The project has expanded from 1500 feet to include both improvements to the existing building and new construction totaling 2,500 sq ft.

The additions to the project led to additional time delays for design of the added spaces

The project has become a component of a larger series of Reinvestment Partners projects to redevelop the block on which the property is located.

The improvement of the building at 1201 N. Roxboro Street will contribute to economic development in the Targeted CDA Corridor. 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 vision of the Citywide Strategic Plan goal for a strong and diverse economy.

OEWD has confirmed, through the web site of the North Carolina Secretary of State, that Reinvestment Partners is the same non-profit corporation formerly named the Community Reinvestment Association of North Carolina.

Alternatives

The City Manager may choose to reject the recommendation to extend the agreement or to 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 and the ability of the project to be an important part of redevelopment along Geer St..

Financial Impact

Extending the contract by one year 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 SDBE's are involved in this item.

Attachments:

Amendment to Agreement between the Community Reinvestment Association of North Carolina and the City of Durham for Building Improvement Incentives for Economic Development.