City of Durham
Office of Economic and Workforce Development
302 East Pettigrew Street, Ste. 190
Durham, NC 27701

APPLICATION FOR ECONOMIC DEVELOPMENT INCENTIVES FOR JOB CREATION AND CAPITAL INVESTMENT

Thank you for your interest in expanding or locating within/to the City of Durham. Please complete this application for consideration of incentives and return to Darrell Solomon at Darrell.solomon@durhamnc.gov or 807 East Main St., Suite 5-100, Durham NC 27701.

Company Information	
Name of Company Requesting Incentive (Required) A&J Capital	Name and Address of Parent Company N/A
Address of Company Requesting Incentive (Required) 203 Bathgate Lane Cary, NC 27513	Primary Project Contact for Company Requesting Incentive Name James E. Rogers Title Phone 919-678-1327 Fax 919-573-9464 Email james@jameserogers.com Website Address n/a
Product Manufactured or Service Provided by Company Requesting Incentive Rehabilitation of 406 S. Driver Ave.	
Product to be Manufactured or Service to be Provided at Project Site This is a mixed use property with residential and commercial spaces. Current tenants include a barber, used furniture store and neighborhood grocery store. Two residential apartment are upstairs.	
Is Request for Incentive Due to Capital Investment, Job Creation or Both? Capital Investment X Job Creation ☐ Both	

Is Request for Incentive Due to Your Company:

Expanding Within City of Durham Limits?
\\☐ Yes x No

Locating Within City of Durham Limits? x Yes ☐ No

Capital Investment (If no capital investments are to be considered for incentive, skip to page 4)

Indicate facility type the proposed project is considered: ☐corporate headquarters ☐office building ☐health care facility ☐ business incubator ☐hotel/motel ☐research & development ☐financial institution ☐manufacturing/assembly/fabrication/processing ☐warehouse/distribution ☐ retail X commercial component of mixed-use development ☐residential ☐parking deck

Physical Address of Project Site: 406 S. Driver St.

Project Parcel PIN Number:

Total Planned Project New Square Footage and Acreage: New SQ Acreage

Breakdown of Square Footage if Mixed Use: Retail 80% Residential 20% Number of Apartments 2 Number of Condo Units
Number of Parking Spaces 10
Parking Deck (Square Footage, Number of Spaces and Levels) Square Footage Number of Spaces Number of Levels

If Hotel/Motel: Number of Rooms Square Footage of Rooms: Lounge/Restaurant Area Square Footage:
Pool: Yes ☐ No ☐ Square Footage of Storage:

If Commercial: Square Footage of Laboratory/Clean Rooms: Square Footage of Office Space:
Square Footage of Manufacturing Space:

Is Personal Property Included within Investment: Yes ☐ No X

Describe Scope of Project.	Phase 1 Describe Scope of Work
If project involves phases please describe what aspects of project will be completed during each phase and define start and end dates for each phase. Also, indicate whether a certificate of compliance or occupancy will be issued at the end of the phase.	See Addendum Start Date 3/1/2015 End Date 12/31/2015 Will a Certificate of Compliance be Issued at Completion ☐ Yes ☐ No Will a Certificate of Occupancy be Issued at Completion X Yes ☐ No

Add additional phases if needed and attach on separate sheet using the format provided.	Phase 2 Describe Scope of Work N/A Start Date mm/dd/yy End Date mm/dd/yy Will a Certificate of Compliance be Issued at Completion ☐ Yes ☐ No Will a Certificate of Occupancy be Issued at Completion ☐ Yes ☐ No
	Phase 3 Describe Scope of Work N/A Start Date mm/dd/yy End Date mm/dd/yy Will a Certificate of Compliance be Issued at Completion ☐ Yes ☐ No Will a Certificate of Occupancy be Issued at Completion ☐ Yes ☐ No

Estimated Value of the Building(s) to be Constructed	Current Durham City/County Real Property Tax Bill – Land	Current Durham City/County Real Property Tax Bill – Improvements	Current Durham City/County Personal Property Tax Bill
$ 700,000 CURRENT TAX VALUE: $153,982	$ 2,131.00	$	$

Qualified Capital Investment: The following three (1, 2, 3) sections detail qualified capital investment under the City's incentive policy. Please provide yearly expenditures for each category. Define year as calendar year.

1. Related Development Fees Charged by the City of Durham for the Project	Year 1 2015 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7	Year 1 Expenditure $1,800 Year 2 Expenditure $ Year 3 Expenditure $ Year 4 Expenditure $ Year 5 Expenditure $ Year 6 Expenditure $ Year 7 Expenditure $ Total Expenditure $2,000.00
2. On-site and off-site public infrastructure improvements; site preparation; site clearing; grading; installing and/or expanding water and sewer utilities; installing and/or expanding drainage facilities; new	Year 1 2015 Year 2 Year 3	Year 1 Expenditure $368,066.25 Year 2 Expenditure $ Year 3 Expenditure $

construction; rehabilitating and/or demolishing existing structures; facade improvements; streetscape improvements; moving existing utility facilities; constructing sidewalks or walkways; constructing parking facilities; constructing bicycle paths; constructing urban trails; constructing transportation facilities; installing street lighting; improving public open space; and constructing public plazas.	Year 4 Year 5 Year 6 Year 7	Year 4 Expenditure $ Year 5 Expenditure $ Year 6 Expenditure $ Year 7 Expenditure $ Total Expenditure $368,066.25
3. Estimated Costs for Engineering and Design Fees	Year 1 2014 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7	Year 1 Expenditure $25,470.00 Year 2 Expenditure $ Year 3 Expenditure $ Year 4 Expenditure $ Year 5 Expenditure $ Year 6 Expenditure $ Year 7 Expenditure $ Total Expenditure $25,470.00

Job Creation

Current Global Company Employment	N/A (SEE ATTACHED PAGE RE: COMPANY EMPLOYMENT)

Current Durham County-Based Employment FT PT Current Durham City-Based Employment FT PT 2

List below the timeline for hiring, position titles, wage and number of positions by title. Define years as calendar years. Jobs must be considered new, permanent, full-time and pay a salary equal to or greater than the City's prevailing livable wage rate (pursuant to Section 18-23 of the City Code).

Hiring Timeline	Wage	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Position Title	$							
	$							
	$							
	$							
	$							
	$							
	$							
	$							

Total Positions Per Year								
Cumulative Positions Total:								
Average Position Wage Overall: $								
Describe Benefits Offered to Hourly Workers:								
Describe Benefits Offered to Salaried Workers:								

Please Submit the Following With the Application:

- Statement defining the funding need or gap constituting a bonafide inducement for company to expand or locate in the City of Durham
- Project Area Map showing location and PIN Number of the parcel on which this project is located
- Proposed site design or physical layout of the project
- Information to compare the City of Durham with other jurisdictions you may be considering locating in, such as the cost of preparing the land for business use, tax rates, utility rates, labor supply, lease amounts and wage data
- Any additional information you may want us to consider to reasonably describe the enterprise or economic development project

City staff to complete: Project is: ☑ In Targeted Portion of CDA ☐ In CDA ☐ In Urban Growth Area ☐ Outside the Urban Growth Area and Outside a CDA ☐ In Historic Building ☐ In SDZ ☐ Downtown ☐ Parrish Street Project Area ☐ Within Eligible Facility Type as Defined by Policy ☐ Targeted Industry as Defined by Labor market Information Division of the Employment Security Commission of NC

I authorize the Office of Economic and Workforce Development for the City of Durham to research such information about my company as may be needed to provide the City with sufficient due diligence and to assure the appropriate and proper expenditure of performance-based incentive funds. I agree to supplement this application with such additional information as may be requested in order to provide the most accurate and complete picture of my company and the timing of the project for which I am seeking incentive funding. I understand that my project will be the subject of a Public Hearing by the Durham City Council and will be made public at a City Council Work Session prior to the Public Hearing. I further understand that no monies expended prior to City Council approval of my project can be counted toward my investment threshold or job creation amounts. I acknowledge the requested incentives constitute a bonafide inducement for my company to expand or locate in the City of Durham, without which inducements my company would be less likely to expand or locate in the City. I further acknowledge I have received relevant information regarding the City's practice related to public records and the protection of confidential information for economic development projects.

James E. Rogers
A&J Capital

Print Name of Company Representative

CEO

Title

Signature

1/6/2015
Date

Please Submit the Following With the Application:

- *Statement defining the funding need or gap constituting a bonafide inducement for the Company to expand or locate in the City of Durham*

Currently I am still waiting for approval of a loan in the amount of $255,336 to complete repairs and rehab of the project. Because the building is in such a state of disrepair, much of the electrical and plumbing will have to be redone. All the windows on the second floor will have to be installed and new storefront glass installed on the ground level. There was fire in the building approximately 7 years ago which caused substantial damage to the roof and the second floor. In addition to repair, cleanup will be a major expense.
The commercial spaces on the ground floor are also in need of substantial repair. The roof problem has caused damage to the barber shop and furniture store space. The ceiling, walls and floor will need a great deal of work.

When I purchased the property, there was already an outstanding order to demolish a structure on the property. This will have to be done early. The cost of demolition and other soft cost will consume a substantial portion of the loan when approved. Scott Harmon has assisted me as architect on this project and we all know that he is not cheap. He has done many projects in the downtown area and the City of Durham is very familiar with him. The general contractor has proposed a bid for the cost of the project as stated above and the loan which I am able to obtain is almost $175,000 short of the amount needed, therefore in order to bring this project to fruition I will need financial assistance from some other source.

- *Project Area Map showing location and PIN Number of the parcel on which this project is located- 08311-19-62-0328*

- *Proposed site design or physical layout of the project.*

  Please see rendering and diagram of floors and spaces.

- *Any additional information you may want us to consider to reasonably describe the enterprise or economic development project*

I believe the completion of Ashley's Corner will help to promote the City's vision of revitalization of this community. Durham is growing in magnificent ways and I think there are areas of the city which are ripe for grow. Ashley's Corner is in one of those areas. Ashley's Corner will be a tremendous boost to the neighborhood. Already I have received calls from concerned citizens in the community about what will be done with the property and when my vision was shared with them, they seemed very pleased. I am

always excited about my projects, no matter whether it's building a new house or rehabbing an old one. But I am especially excited about this one and look forward to getting started.

With regard to the jobs created by this project, I will obviously have to employ local help to demolish the wood structure on the property and as well as to clean the debris from the building. Local contractors will also be used to install windows and do general repairs. Mr. Johnathon Farrar is a local contractor who will assist with this project and will hire other local contractors to complete all of the necessary labor.

Additionally, as stated above, 3 of the 4 commercial spaces are currently occupied. The owner of the barber shop has indicated that once the project is completed he will put more chairs in the shop and bring in more barbers. Currently the convenient mart is opened 7 days a week and has at least one worker, possibly two. The used furniture store is currently operated by the owner and I'm not sure what her plans are after completion of the project.

Although this project does not bring any full time positons with it, the money used to repair and rehab the project will go to temporary local workers and contractors thereby creating more revenue for the Durham community. Once the project is completed, the rehabbed Ashley's Corner will help to generate more interest in the enterprises of current commercial Ashley's Corner tenants and the neighborhood generally.