

RESOLUTION AUTHORIZING A 9 YEAR REDUCTION TO THE REPAYMENT PERIOD ON A \$150,000 FORGIVABLE LOAN PROVIDED TO AZ DEVELOPMENT, LLC FOR THE REDEVELOPMENT OF PROPERTIES AT 120 W LEWIS ST AND 215 W LEWIS ST AND ELIMINATION OF A MULTI-TENANT USE RESTRICTION FOR THE PROPERTY AT 120 W LEWIS ST

WHEREAS, AZ Development, LLC was awarded a \$150,000 Urban Development Investment Forgivable Loan on November 11, 2015 for the renovation of the building at 120 W Lewis St and revitalization of the property at 215 W Lewis St;

WHEREAS, in order to prevent future problematic uses of the property at 120 W. Lewis Street the property was to be designed and used as a multi-unit and multi-tenant development, with not more than one-third of the floor space of the building to be used as a nightclub, as defined in the Greensboro Land Development Ordinance;

WHEREAS, AZ Development, LLC received the loan on April 13, 2016 and the original 17 year repayment period for the loan was calculated based on anticipated net new property tax revenues from the forecasted improvements on the property;

WHEREAS, AZ Development, LLC was required to invest at least \$2,100,000.00 in the project and retain at least 3 new full-time equivalent jobs during the repayment term to be eligible for loan forgiveness;

WHEREAS, the forgivable loan balance decreases in the amount of \$8,823.54 annually provided contractual obligations related to investment, job creation, and job retention are achieved and verified;

WHEREAS, it has been verified that AZ Development, LLC is in full compliance with the terms of the contract and that as of April 13, 2021 there are 12 years remaining on the repayment period for the loan and the remaining loan balance is \$105,882.30;

WHEREAS, AZ Development, LLC has provided additional documentation regarding sales and property taxes paid to the City of Greensboro as a result of the redevelopment at 120 W. Lewis Street totaling \$104,719.00;

WHEREAS, the multi-tenant use restriction on the property at 120 W. Lewis Street is an impediment to the current tenant, Boxcar GSO Holdings, LLC, to expand its operations to occupy the entire building;

WHEREAS, AZ Development, LLC formally requests a reconsideration of the original repayment period and elimination of the multi-tenant use restriction for the property at 120 W. Lewis Street based on the presented factors; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That the City Manager is authorized to modify the forgivable loan agreement with AZ Development, LLC, reducing the outstanding loan balance from \$105,882.30 to \$45,281.00, reducing the remaining repayment period on the loan from 12 years to 3 years, and eliminating the requirement that the building at 120 Lewis Street be utilized as a multi-tenant property.