

**RESOLUTION AUTHORIZING A 60-MONTH \$500,000 ECONOMIC DEVELOPMENT
LOAN AND A \$250,000 URBAN DEVELOPMENT INVESTMENT GRANT
FOR S & S CAPITAL LLC TO REVITALIZE A LONG-TERM VACANT BIG BOX SHELL**

WHEREAS, the City of Greensboro has previously approved the Urban Development Investment Guidelines – Long-Term Vacant Big Box Revitalization Loan Program Addendum to provide a fair and consistent set of criteria that can be used to evaluate loan requests from private developers requesting public participation in redeveloping vacant big box stores to provide a fair and consistent set up criteria for public participation in redeveloping vacant big box shells;

WHEREAS, S & S Capital LLC has requested City participation in the redevelopment of a vacant big box shell located at 801 West Florida Street in the City of Greensboro that meets the program criteria with the exception of the requirement that the City loan will be secured by no less than a second lien against the property securing the loan;

WHEREAS, the developer has secured a commitment from Super Value Inc. to lease the vacant big box contingent on the up-fit of the vacant shell taking place for a Piggly Wiggly grocery store;

WHEREAS, revitalization of this long-term vacant big box shell is expected to have a positive impact on employment, reduction of crime, and the viability and quality of life in the surrounding neighborhood and City of Greensboro;

WHEREAS, the developer is required to confirm compliance with certain conditions prior to the City's loan closing to protect the public funds invested in the project, such conditions include but are not limited to: (1) confirmation of \$505,000 of equity investment and \$400,000 in private investor contributions in the Freeman Mill Square Shopping Center related to the up-fit of space to be leased as a grocery store, (2) provision of security in the form of a note and deed of trust on the real property and future improvements located at 1708 Freeman Mill Road and residential property located at 3204 Bridle Trail, (3) provision of a satisfactory Phase I Environmental Site Assessment on the 1708 Freeman Mill Road property, (4) provision of an Unconditional Joint and Several Guarantee of Mr. Shahzad Akbar;

WHEREAS, the proposed terms of the \$500,000 loan include but are not limited to: IRR 5.25% (Prime +2), 5-year loan term, twelve month of interest only payments, principal and interest payments calculated on a 10-year amortization, balloon payment for the principal amount due on the 60th month, with no prepayment penalty;

WHEREAS, pursuant to NCGS 158-7.1, the proposed grant of \$250,000 will increase the taxable property and business prospects of the City by assisting with the demolition, roof replacement, parking lot, signage and security upgrades at the Freeman Mill Shopping Center;

WHEREAS, S & S Capital LLC will be responsible for all closing costs associated with perfecting and recording the City's secured interest to include any external attorney fees, a title search, and title insurance;

WHEREAS, S & S Capital LLC shall provide annual financial statements on the Freeman Mill Square Shopping Center located at 801 West Florida Street, and employment details to include number of full-time and part-time employees at the tenant (Piggly Wiggly) that will occupy the vacant big box shell located at 801 West Florida Street, no later than March 31 of each year after closing while the loan is outstanding;

WHEREAS, S & S Capital LLC shall project is subject to the City's Minority/Women Business Enterprise Program Plan as it applies to Economic Development Project M/WBE Subcontracting Goals;

WHEREAS, if Community Development Block Grant (CDBG) funds are used for any part of the loan or grant, then S & S Capital LLC shall comply with all Federal, State, and City requirements associated with CDBG funds;

WHEREAS, capital investment must be complete and in-place and tenant must execute a lease and be occupying the vacant big box shell by December 31, 2021;

WHEREAS, the grocery store tenant is required to create at least 17 full-time equivalent positions by December 31, 2021, and retain the minimum of 17 full-time equivalent positions throughout the term of the loan;

WHEREAS, violation of any of these conditions will constitute the loan being in default at which time the loan will become immediately due and payable in full if the default is not cured within 30 days from the date S & S Capital LLC is notified in writing of the default;

WHEREAS, a public hearing was held on June 16, 2020, in accordance with N.C.G.S. 158-7.1 setting out the particulars of the request and the public benefits to be derived from said improvements; and

NOW THEREFORE, the City Council for the City of Greensboro finds that in accordance with the Urban Development Investment Guidelines – Long-Term Vacant Big Box Revitalization Loan Program Addendum the project meets all base eligibility criteria for consideration of City financial support and authorizes the City Manager to execute an appropriate loan and grant agreement in accordance with the terms and conditions listed above for a mezzanine loan to S & S Capital LLC in an amount not exceeding \$500,000 and an economic development grant in an amount not exceeding \$250,000 for development and upfit for a new grocery store to be located in the Freeman Mill Shopping Center.