

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY

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Bill Type and Number: Ordinance 2022-319

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: April 26, 2022

Committee(s) of Reference: NCSPHS, F

Date of Analysis: April 28, 2022

Type of Action: Authorization to execute redevelopment agreement; authorizing grant awards; designation of oversight agency

Bill Summary: The bill authorizes execution of a redevelopment agreement between the Downtown Development Authority and East Union Holdings, LLC to support the renovation and rehabilitation of a building commonly known as the Union Terminal Warehouse at 700 Union Street into a mixed-use residential and commercial project. It authorizes three Downtown Preservation and Revitalization Program (DPRP) loans in a total amount not to exceed \$8,285,793 to be appropriated via separate legislation. The DIA is designated as the City's oversight agency for the project.

Background Information: The building is located between East Union Street and the Mathews Bridge Expressway, across the street from Old City Cemetery in the Eastside area. The developer of the project anticipates making a total investment of approximately \$57.1 million which will produce a minimum of 220 mixed-income residential units and 38,000 square feet of commercial/retail space designed to attract maker/artists' studios and similar uses. Construction is expected to take 2 years. The 3 DPRP loans include: a Historic Preservation Restoration and Rehabilitation Forgivable (HPRR) Loan in the not-to-exceed amount of \$4,246,963; a Code Compliance Forgivable (CCR) Loan in the not-to-exceed amount of \$2,381,671, with the said HPRR and CCR Loans being forgiven at a rate of 20% per year (with claw back provisions provided in the Agreement), and a Deferred Principal Loan in the not-to-exceed amount of \$1,657,159 which requires interest payments annually with principal to be repaid at maturity (10 years from the date of funding).

Policy Impact Area: Economic development

Fiscal Impact: The bill authorizes three Downtown Preservation and Revitalization Program (DPRP) loans in a total amount not to exceed \$8,285,793 to be appropriated via separate legislation.

Analyst: Clements