



Legislation Text

File #: ID#20-8665, **Version:** 1

SUBJECT/RECOMMENDATION:

Amend the Loan to Grant Agreement with 949 Cleveland Street, LLC for the property at 1011 Cleveland Street, to extend the agreement to March 1, 2022, for building improvements to implement the CRA Food and Drink Grant Program and authorize the appropriate officials to execute same.

SUMMARY:

At the October 29, 2018 Community Redevelopment Agency (CRA) meeting, the CRA Trustees approved a time limited, grant program for property owners to support the establishment of new food and drink businesses that are open on nights and weekends in the Downtown Core and Prospect Lake districts in the Community Redevelopment Agency area. Under this program, property owners must commit, at a minimum, to matching the CRA's grant funding, dollar for dollar, for building improvements that will be maintained for a minimum of five years. The owner must also maintain a lease with a business that serves food and/or drinks on nights and weekends for a minimum of five years.

On February 18, 2020, the CRA Trustees determined that the applicant's proposal met the program requirements and approved a loan to grant in the amount of \$250,000 for 949 Cleveland LLC to establish a self-serve beer and wine bar with indoor and outdoor lounge areas, including significant improvements to The Nolen's existing outdoor plaza and high-quality interior finishes. The total project cost is \$610,438.00. The applicant planned to complete construction by February 18, 2021.

Due to the COVID-19 pandemic, construction has been delayed. The applicant is committed to this project. They have applied for a building permit and been through a revision process, so they anticipate receiving a building permit in the next 30 days. They have requested to extend the grant agreement by one year to complete construction.

Staff recommends amending the grant to allow a new completion date of March 1, 2022. This site is critical to serving existing residents and attracting new residents to apartment developments in this area, in turn, generating a favorable market to encourage new housing developments in the downtown core. It will also fill a persistently vacant site on Cleveland Street. The original grant agreement incorporates the property owner's full application and financial documents to secure the loan to grant agreement over a five-year period. Those documents will remain unchanged.

APPROPRIATION CODE AND AMOUNT:

Funds for this grant are available in 3887552-R2003 Economic Development-City