

INTEROFFICE MEMORANDUM

June 02 , 2014

MEMO TO: Ruffin Hall
City Manager

FROM: Catherine Clark, Grants Manager

SUBJECT: Budget Note 03 – New Bern Corridor Alliance Request

At the March 18, 2014 meeting, City Council received a request from the New Bern Corridor Alliance for \$50,000 in one-time funding to be pooled with \$150,000 in donations from other sources and used to hire a project manager to advocate for developers to invest in the corridor. The request was referred to budget work session; minutes of the meetings and the organization's request letter are attached.

Funding Options

Economic Development Fund balance is available should Council wish to fund this request. The Economic Development Fund provides support for economic development activities that benefit Raleigh such as the Greater Raleigh Chamber of Commerce and the Triangle J Council of Governments and for partner agencies in downtown Raleigh, the Hillsborough Street business district, and southeast Raleigh. Fund balance is available due to the repayment of a grocery store loan made in late 2007.

If funded, a contractual agreement with the Alliance will stipulate that the funding will be in the form of reimbursement for expenses incurred and as a match to the overall project budget. These controls ensure the city's funds are being used for the agreed upon purposes and that Raleigh taxpayers and residents are benefitting from the city's investment.

Staff Recommendation

James Sauls, Raleigh's Economic Development Director, recommends the implementation of the corridor plans as it will further the City's economic development goals. He and I recommend Council consider requiring a match ratio of 1:3, so that for every dollar the City contributes, the New Bern Corridor Stakeholders will contribute three from other sources.

NEW BERN AVENUE CORRIDOR ALLIANCE – UPDATE AND REQUEST FOR FUNDING – RECEIVED; REFERRED TO BUDGET WORK SESSION

Andi Curtis, representing the New Bern Avenue Corridor Alliance, had asked for placement on the agenda in order to provide the City Council with an update of their progress. Michael Cole, 100 North Bloodworth Street, Chair of the Alliance, addressed the Council in her stead and explained she was at another meeting. He distributed a packet of information that he explained was self-explanatory. The New Bern Avenue Corridor Alliance is a nonprofit organization that was formed about 1-1/2 years ago. They are asking the Council to allocate \$50,000 in the FY15 budget to partner with the Alliance and match other contributions. The Alliance has a very strong and diverse Board. The packet contains information about the Board and a list of the Alliance's resources, also a part of the Board and a very talented group. The City's financial partnership is essential for them to continue to advocate for the corridor and is in keeping with the New Bern Avenue Corridor Study adopted by the Council in January 2012. The Corridor Study final report is also in the packet and is the template for the activity they will be involved in for the next two years. The Alliance is a 501(c)(3) organization and has a federal tax ID number. They have formalized Articles of Incorporation and established bylaws. The organization has a bank account and has collected more than \$5,000 in individual contributions. The Alliance has begun working with the City for a hosted Web site similar to those of the Hillsborough Street Corridor and Blue Ridge Corridor. They have created three functioning committees – Communications, Infrastructure, and Finance – to promote Alliance work. WakeMed Hospital has committed to a maximum contribution of \$50,000 over two years (two \$25,000 payments), and the Alliance Board has committed to raising an additional \$100,000. They will work with this \$200,000 over the course of several years and will be able to hire a project manager. Christine Craig, secretary of the Alliance Board and an executive at WakeMed Hospital, is also present this evening. Mr. Cole acknowledged Mr. Weeks and said he is a very active and excellent member of the Alliance's Board.

Without objection, Mayor McFarlane told Mr. Cole his request would be a budget note in the Council's upcoming budget work sessions.

Mr. Cole said the Alliance would like to put together packages that will hopefully get developers interested in investing in the corridor. The Alliance will need help with hiring someone to assist with that advocacy. Mr. Odom asked if the Alliance Board contained a representative from St. Augustine's University and if they would allow a student to participate in their meetings. Mr. Cole said the Alliance is in the process of expanding its Board. Dr. Dianne Suber, President of St. Augustine's, is a very active member of their Board and student involvement is invaluable. Mr. Cole said that is a great suggestion and they would appreciate whatever help Mr. Odom and Mr. Weeks could offer. The Alliance wants to get presence on the corridor; they are currently rotating their meetings in different offices. They would like a permanent storefront in which to hang a sign.

Mr. Weeks told Mr. Cole he appreciates all the Alliance is doing to move this forward. This is an active Alliance and he had already made the City Manager aware of this budget note.

Mr. Cole acknowledged Octavia Rainey in the audience, stating she has been a great supporter of the Alliance and is a great bridge to the CACs. Michael Sandman, an attorney in Raleigh who is working on the Bell View Hotel project, is the Alliance's treasurer.

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