



# MEMORANDUM

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**To:** Finance Committee  
**From:** Rich Olson, City Manager  
**Date:** October 21, 2013  
**Re:** Consideration – Draft of Downtown Improvement Grant Program

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In August, the City Council approved the Business Investment Program (BIP). During discussions on the approval of that policy, staff informed the Council that the primary benefit of the program was the rebate of incremental increases in property tax, which in all likelihood would not occur with any downtown renovation program. Staff has developed a grant program specifically for the downtown area. The downtown area is defined in the program as the area between Elizabeth Street and Ehringhaus Street and bordered by Road Street on the west and the Pasquotank River on the east.

The primary purpose of the program is designed to address safety issues and improve the aesthetics of the downtown. Staff is proposing that \$100,000 be allocated as seed money for the program. The City will shortly be reimbursing itself out of the Aviation Park Construction Account for funds we previously spent to develop the Aviation Park. Staff has limited the use of funds for commercial properties since they will create jobs in the downtown area.

Under the program's criteria section of the guidelines, staff has listed eligible projects that we would fund. All the eligible projects relate directly to improving the overall condition of the properties. Staff's main focus is on Life Safety Code compliance, ADA compliance and repairs to electrical, plumbing and mechanical systems, as well as necessary structural repairs. All grant award funds are dollar for dollar match grants.

The maximum grant funds any property could receive is \$15,000, which means the grantee would need to spend \$30,000 to receive the total award. Staff has developed an application form and requirements to document the work to insure licensed, bonded contractors are used.

Grant applications would be funded on a first-come, first-served basis until all funds have been expended.

**STAFF RECOMMENDATION:**

For the Elizabeth City Downtown Improvement Grant Program guidelines to be forwarded to the Downtown Action Team of the Vision 2020 Initiative for their review and comment.

RCO/vdw



## City of Elizabeth City Downtown Improvement Grant Program Fiscal Year 2013-2014

### Overview

The City of Elizabeth City Downtown Improvement Grant (DIG) Program is a part of the City's goal to encourage economic development; and it is designed to address safety issues and improve the aesthetics of the downtown district. The downtown district is generally defined as the area between Road Street and the Pasquotank River and Elizabeth Street and Ehringhaus Street. This geographic area and project guidelines and scope of work may be considered for inclusion in the program at the discretion of the City Council.

The DIG grant program is sponsored by, funded and monitored by the Elizabeth City Council, who may amend, adjust or eliminate the program at any time. The grant award decisions of the Elizabeth City Council are final.

### Scope

The Elizabeth City Council has allocated \$\_\_\_\_\_ for the Elizabeth City Downtown Improvement Grant Program for Fiscal Year 2013-2014. Grants are competitive and will be awarded on a first come/first served basis until funds are depleted.

Applications will be accepted from November 1, 2013 to May 10, 2014 and must be received by City staff by 5 p.m. on the 23<sup>rd</sup> of each month in order to be listed on the next month's agenda for consideration. Applicants whose grant is denied may reapply in thirty (30) days. If an applicant is successful in receiving a grant, he or she may not reapply for the same type of grant for the same property until twelve (12) months from the completion date of the approved grant.

Grants are to be used only for commercial property. If the property is zoned for both residential and commercial use, grant funds and the required matching funds may only be used for the commercial property portion of the property.

Work must not commence on any projects seeking grant funds until the grant has been approved by the Elizabeth City Council.

Building/business owners are responsible for all necessary permits, proper zoning and compliance with the City of Elizabeth City Unified Development Ordinance (UDO), which includes Historic Preservation Commission (HPC) review. HPC approval must be received before a grant application is submitted to the City Council.

Tenants must have authorization from the property owner in order to apply for a grant and for the improvements proposed for completion. If a property receives a grant and

the property is sold within thirty-six (36) months of the completion of the grant, the amount of the grant must be repaid to the City of Elizabeth City.

## **Program Criteria**

### Eligible Projects

- Life Safety Code compliance renovations (permanent)
- Commercial interior remodeling improvements (permanent)
- Commercial site (exterior) improvements
- Improvements for compliance with Americans with Disabilities Act (ADA) for commercial properties
- Installation, repair, and replacement of exit (exterior) doors and hardware
- Repair, replacement or addition of exterior shutters and awnings/canopies
- Repair, replacement or purchase of signage
- Repair/replacement or installation of interior/exterior stairs, porches, railings and exit facilities
- Repair or rebuilding of interior/exterior walls, including cleaning, sealing, tuck pointing and painting
- Repair or replacement of frames, sills, glazing, replacement of glass and installation of new windows
- Repair or replacement of flooring
- Installation of permanently affixed landscaping (such as stone or brick planters)
- Installation, repair or replacement of exterior lighting
- Mechanical work, including wiring, plumbing, insulation, mechanical systems/climate control

### Ineligible Projects

- No structural additions
- Residential structures
- Real estate or building purchases
- Furnishings and equipment purchases
- Working capital
- Inventory financing
- Title reports and legal fees
- Professional fees such as architects, engineers and attorneys
- Labor provided by the applicant or tenant of the building
- Extermination of insects, rodents, vermin and other pests
- Expenses incurred prior to grant application approval
- Landscaping
- Interior cleaning, except that required as prep work for other eligible improvements

Projects must support new and expanded business development.

Work must commence within thirty (30) days of the grant approval and be completed within ninety (90) days from the date of approval, absent extenuating circumstances as approved by the City Council.

Applicant shall display a sign (provided by the City of Elizabeth City) indicating participation in the DIG grant program. The sign must be displayed either on the exterior or in the front window of the building for a period of at least thirty (30) days after the completion of the project.

All projects are reimbursable grants. Recipients must spend matching funds first, and will be reimbursed for half of the grant funds at the time the project is at seventy-five percent (75%) completion. Proof of matching funds being expended will be required for grant funds to be reimbursed. Receipts for materials, supplies and labor should be provided and itemized. Handwritten invoices/receipts are discouraged and will require confirmation.

Photos of the project progression must be submitted to the Elizabeth City Planning and Community Development Department every thirty (30) days with the first submission being within ten (10) days of the project start date. Photos of the completed project shall be provided to the Elizabeth City Planning and Community Development Department at the time reimbursement is requested.

Bids must be provided by licensed and bonded contractors.

All grant award funds are dollar for dollar matching grants. The maximum annual grant any business or property owner may receive per property is \$15,000. Examples are:

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|-----------------------------|-----------------------|
| • Applicant Match: \$1,000  | Grant Award: \$1,000  |
| • Applicant Match: \$15,000 | Grant Award: \$15,000 |

## **Application Requirements**

In order to be considered for a grant, a complete application must be submitted to the City of Elizabeth City Planning and Community Development Department, 3<sup>rd</sup> Floor, A. P. Midgett Building, 302 E. Colonial Avenue, Elizabeth City, NC 27909. A complete application shall include:

- Application
- Proof of Commercial Lease (if applicant is not property owner)
- Before photos, preferably in digital format
- Itemized bids from at least two (2) licensed and bonded contractors, including supplier cost estimates with at least one (1) local bid. (A bid is considered local if provided by a contractor with a business office located in Pasquotank County.)
- Project timetable
- Inspection reports from the City of Elizabeth City Inspections Department and Fire Marshal, if applicable

- Approval by the Historic Preservation Commission for the project, if applicable
- Approval from property owner (if applicant is not property owner)

New Businesses must also provide:

- Copy of signed lease agreement
- Verification of Commercial Zoning
- Copy of Business Plan

**DOWNTOWN IMPROVEMENT  
GRANT PROJECT ORDINANCE**

**BE IT ORDAINED** by the City Council of the City of Elizabeth City, North Carolina, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

**SECTION I.** The project authorized is the Downtown Improvement Grant Project Ordinance to be financed with grant funds.

**SECTION II.** The officers of this unit are hereby directed to proceed with the grant project within the budget contained herein.

**SECTION III.** The following revenues are anticipated to be available to complete this project:

673970.1000	Transfer from Aviation Park	\$ 100,000
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**SECTION IV.** The following amounts are appropriated for the project:

679013.7300	Downtown Improvement Grant Expenditures	\$ 100,000
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**SECTION V.** Copies of this grant project ordinance shall be made available to the Budget Officer and Finance Director for direction in carrying out this project.

**ADOPTED,** this the \_\_\_\_ day of \_\_\_\_\_, 2013.

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Joseph W. Peel, Mayor

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Dianne S. Pierce-Tamplen, MMC, City Clerk