



MEMORANDUM

To: Mayor and City Councilors
From: Rich Olson, City Manager
Date: November 21, 2013
Re: Consideration – Downtown Improvement Grant Program

BACKGROUND:

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 developed a grant program specifically for the downtown area and presented this draft program to the Finance Committee during their meeting on October 24, 2013. The Finance Committee instructed staff to meet with the stakeholders to insure the program would meet their needs. After staff received input from the stakeholders meeting, which was held on November 6, 2013, the plan was modified.

A copy of the revised plan was provided to the Finance Committee on November 20, 2013 in an add/delete format. The Finance Committee agreed that the revisions made to the grant program and accompanying application were acceptable. However, they did remove the provision of providing \$15,000 for an occupied building and \$20,000 for an unoccupied building, thereby making the maximum grant for any building \$20,000. (A copy of the revised document with all changes accepted is attached.)

ANALYSIS:

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 \$80,000 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 matching grants.

The maximum grant any property could receive is \$20,000, which means the grantee would need to spend \$40,000 to receive the total award. The minimum grant award is \$2,500 representing a \$5,000 total project cost. Staff has developed an application form and requirements to document the work to insure licensed contractors are used.

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

The Finance Committee recommends that the City Council approve the attached Downtown Improvement Grant Program to be effective December 1, 2013, as well as the attached budget amendment.

STAFF RECOMMENDATION:

1. By motion, approve the City of Elizabeth City Downtown Improvement Grant Program for Fiscal Year 2013-2014 as presented; and
2. By motion, adopt the attached budget amendment transferring \$80,000 from the Aviation Park Fund Balance Appropriated to the Downtown Improvement Grant Program.

RCO/vdw

RCO/vdw

BUDGET AMENDMENT

BE IT ORDAINED by the City Council of the City of Elizabeth City that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2014.

SECTION I. That the Aviation Park Fund Balance Appropriated (633990.0000) and Transfer to General Fund (639008.9103) be increased by \$80,000.

That the Transfer from Aviation Park (103930.6300) and Downtown Improvement Grant Program (106600.4300) be increased by \$80,000.

(To appropriate funds for Downtown Improvement Grant Program from Aviation Park Funds.)

Joseph W. Peel, Mayor

Dianne S. Pierce-Tamplen, MMC, City Clerk



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.

The DIG grant program is sponsored by, funded and overseen by the Elizabeth City Council, which 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 \$80,000.00 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 December 1, 2013 to May 10, 2014 and must be received by City staff by 5 p.m. on the 23rd 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 date of project completion, which is defined as the date of final approval by the Building Inspector.

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 by the property owner.

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
- Weatherization of building
- 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
- Payment of permits and fees

Ineligible Projects

- 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 or the retention of jobs in the downtown area.

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.

Upon grant approval, 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 up to one-half of the grant funds at the time the Building Inspector determines that the project is at the pre-approved project milestone plan of 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 after the project start date. Photos of the project shall be provided to the Elizabeth City Planning and Community Development Department at the time final reimbursement is requested.

Bids must be provided by licensed 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 \$20,000.00. Examples are:

- Applicant Match: \$2,500 Grant Award: \$2,500
- Applicant Match: \$20,000 Grant Award: \$20,000

The minimum grant award shall be \$2,500.

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, 3rd 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 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
- City of Elizabeth City Privilege License



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

Grant Application

Date: _____

Applicant Name: _____

Business Name: _____

Mailing Address: _____

Type of Business: _____

Number of Employees: _____ Full Time: _____ Part Time: _____

General Hours of Operation: _____

Does Business Generate Taxable Sales? Yes No

Tax Identification Number: _____

Property Address: _____

Business Owner: _____

Phone Number: _____

Email Address: _____

Property Owner: _____

Phone Number: _____

Email Address: _____

Contact Person (if not listed above): _____

Phone Number: _____

Email Address: _____

Grant Type: Exterior Interior Interior & Exterior

Requested Grant Amount: _____

Source of Matching Funds: _____

Total Project Cost: _____

Description of Project and how it will support new and/or expanded business development:
(Attached additional page, if necessary)

Additional Information: (Please feel free to add any information you think would be valuable to the Elizabeth City Council when considering this application.)

If awarded a Downtown Improvement Grant, I _____
understand that I will have to follow all the requirements of the program and by choosing to
not follow these requirements, I understand that grant funds may be revoked by the City of
Elizabeth City.

_____ Date: _____
(Signature of Grant Applicant)

|

Property Owner Authorization

(This portion of the application must be completed if applicant is not the property owner.)

I, _____ hereby affirm that I am the owner of
property located at _____, Elizabeth City, NC and that I
give my authorization for _____ to make
the improvements outlined and described in the foregoing Grant Application. If for any reason
the property is sold within 36 months, such grant shall be repaid to the City of Elizabeth City.

_____ Date: _____
(Signature of Property Owner)

State of North Carolina
County of _____

_____ personally appeared before me and being first
duly sworn declared that he/she signed this application in the capacity designated, if any, and
further states that he/she has read the foregoing application and the statements therein
contained are true.

Notary

(SEAL)