



MEMORANDUM

TO: Mayor and City Councilors

FROM: Rich Olson, City Manager
Morgan Jethro, Community Development Manager

DATE: January 7, 2016

RE: Consideration - Downtown Improvement Grant Program Application for Locus in Quo, LLC

BACKGROUND:

The City of Elizabeth City Downtown Improvement Grant (DIG) Program is in the third year of focusing on improving Life Safety Code compliance, ADA compliance, repairs to electrical, plumbing, and mechanical systems, and necessary structural repairs in the Downtown sector of the City.

Locus in Quo, LLC is the fourth DIG application the City received this year. The City has expended \$67,405 this fiscal year on the DIG program. Most of the monies spent were for DIG applications approved in FY 2014-2015; but were not closed out until this fiscal year. Before any of the DIG applications can be awarded, a budget amendment will need to be approved by the City Council. The budget amendment is a companion item, which will need to be adopted prior to any DIG application being considered.

ANALYSIS:

“Locus in Quo, LLC” is requesting \$20,000 in financial assistance, with the purpose of renovating a portion of the interior adjacent offices they intend to purchase in order to expand their practice at 301 E. Main Street. The total project cost is \$125,000. “Locus in Quo” is leasing the office space to Hornthal, Riley, Ellis & Maland, LLP. They intend to purchase approximately 2,754 square feet of the building for a total of 9,193 of office space at the end of the project. The present interior layout of the building is a labyrinth of hallways and doors, and is poorly designed. Therefore interior renovations for functionality are necessary. The proposed improvements include:

- Break room cabinets and plumbing demolition.
- Electrical grid and wiring relocation to accommodate new space.
- Relocation of HVAC ductwork to accommodate new floor plan.
- Installation of new interior load bearing walls.
- Interior Painting for walls and ceiling.
- Installation of trim and solid core interior doors to match existing office space.
- Installation of new bathroom vanities, fixtures, carpeting.

The firm proposes to employ an additional four fulltime staff members as a result of the business expansion. A copy of an offer to purchase the space from J.O.G. Development, L.L.C. is available for inspection in the City Manager's Office by members of the City Council.

Building Inspector Brent Thornton and Community Development Manager Morgan Jethro have visited the site, and no additional building improvements are necessary at this time. The composite score of the matrix rating system is 65.

FINANCIAL:

The Finance Committee discussed this matter during their meeting of January 7, 2016. Upon motion made by Councilman Donnelly, seconded by Mayor Peel, the committee unanimously recommended approval by the City Council

STAFF RECOMMENDATION:

By motion, approve the "Locus in Quo" Downtown Improvement Grant Program request in the amount of \$20,000, for a total project cost of \$125,000.

The Scoring Sheet and Photographs are included on the following pages.

The application is attached for reference.

The contract with JOG Development is available for inspection by the City Council in the City Manager's Office.

DIG Grant Evaluation—Composite Scores

Locus in Quo, LLC

Program Goals	Olson	Jethro	Brooks	Cole	Average
A: Occupancy & Job Creation	40	20	27	20	26.75
1. New Executed and/or signed lease agreement for vacant building/unit (20 points), current lease for occupied building/unit (10 points)					
2. New authorized Zoning Permit and Privilege License (10 points)					
3. Employment/Job Creation (2 or more new permanent jobs) 2.5 points per job, max 20 points					
B: Life Safety Code(s) Compliance					
1. Building, electrical, and/or plumbing new/upgrades (5 points)					
2. ADA Compliance improvements (5 points)					
3. Weatherization (5 points) including windows					
4. Mechanical work, including insulation, mechanical systems/climate control (5 points)	20	20	20	20	20
C: Exterior Aesthetics & Façade – New/upgrades					
1. Exterior shutters, lighting fixtures, awnings and other appurtenances (5 points)					
2. Repointing mortar joints, stucco replace/repair and painting (5 points)					
3. Exterior doors and hardware, stairs, porches, railing, balustrade and exit facilities (3 points)	0	0	8	0	2
4. Signage (2 points)					
D: Interior Remodel/Renovation					
1. Interior stairs, porches, railing, balustrade and exit facilities (5 points)					
2. Interior walls, including cleaning, sealing, tuck pointing and painting (5 points)					
3. Repair or replacement of flooring (5 points)	15	20	15	15	16.25
4. Repair or replacement of ceiling (and roofing affects) (5 points)					
	75	60	70	55	65







City of Elizabeth City
Downtown Improvement Grant Program
Fiscal Year 2015-2016

Grant Application

Date: December 3, 2015

Applicant Name: Locus in Quo, LLC

Business Name: Hornthal, Riley, Ellis & Maland, L.L.P.

Mailing Address: 301 East Main Street
Elizabeth City, NC 27909

Type of Business: Law Firm

Number of Employees: 27 Full Time: 24 Part Time: 3

General Hours of Operation: 8:30 a.m. to 5 p.m.

Does Business Generate Taxable Sales? Yes No

Tax Identification Number: 56-1252437

Property Address: 301 East Main Street

Business Owner: Hornthal, Riley, Ellis & Maland, L.L.P.

Phone Number: 252-335-0871

Email Address: geason@hrem.com

Property Owner: Locus in Quo, LLC

Phone Number: 252-335-0871

Email Address: geason@hrem.com

Contact Person (if not listed above): Phillip Hornthal

Phone Number: 252-339-4882

Email Address: phornthal@hrem.com

Grant Type: Exterior Interior Interior & Exterior

Requested Grant Amount: \$20,000.00

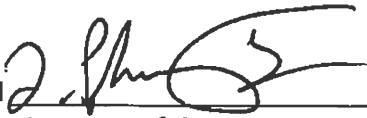
Source of Matching Funds: Hornthal, Riley, Ellis & Maland, L.L.P.

Total Project Cost: \$125,000.00

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

See Attached.

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.


(Signature of Grant Applicant)

Date: 12/9/15

Property Owner Authorization

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

I, L. Phillip Hancock, III of Locus Industries, LLC hereby affirm that I am the owner of

property located at 301 S. Main Street, Elizabeth City, NC and that I

give my authorization for Brian Smith to make

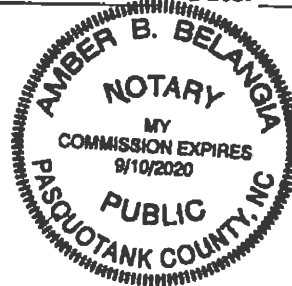
the improvements outlined and described in the foregoing Grant Application. If for any reason the property is sold within 36 months, such grant shall be repaid to the City of Elizabeth City.

[Handwritten Signature]

(Signature of Property Owner)

Date: 12/9/15

State of North Carolina
County of pasquotank



L. Phillip Hancock III 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.

[Handwritten Signature]
Notary

(SEAL)

Description of Project

Loqus in Quo, LLC/Hornthal, Riley, Ellis & Maland, LLP Building Expansion

Hornthal, Riley, Ellis & Maland, LLP ("HREM") is a law firm serving Elizabeth City and the greater Albemarle Region since 1906. It's Elizabeth City office has been located downtown for most if not all of that period, and the firm is committed to Downtown Elizabeth City. It is currently located at 301 E. Main Street. Members of the firm own a separate holding company named "Locus in Quo, LLC," (LIQ), which owns the real estate within which the law firm is located. LIQ's building is currently 6,438.76 square feet, and houses lawyers offices, paralegal offices, conference rooms, a library, an accounting department, storage and utility areas, a small kitchen and space for other staff such as administrative assistants. LIQ currently has a contract to purchase an additional 2754 (approximate) square feet of office space from J.O.G. Development, LLC. This space abuts our existing building to the South. When the project is complete, LIQ would then lease approximately 9192.86 square feet of office space to HREM, an increase of greater than 30%.

However, the new space must be remodeled to accommodate HREM's needs and LIQ's expansion. Using the DIG Program Criteria, these renovations include permanent commercial interior remodeling improvements, improvements for compliance with ADA, installation, repair and replacement of exterior doors and hardware, weatherization of the building, repair or rebuilding of interior/exterior walls, including clearing, sealing, any necessary touch pointing and painting, repair and/or replacement or flooring, mechanical work, including wiring, plumbing and insulation and payment of any applicable permits and fees. Specifically, this expanded space will primarily house HREM's litigation section and accounting department, and will include two to three additional lawyers offices, two or three additional conference rooms, a firm administrator's office, at least two paralegal and two administrative assistant work spaces, four bathrooms, a break room/kitchen/lounge area, storage room and file room.

The space being purchased by applicant is currently unoccupied. The project will enable HREM to retain jobs it provides in the downtown area and provide space for additional expansion and the jobs associated therewith. This expansion should hopefully allow HREM to remain a part of Elizabeth City's downtown for another 100 years!



December 8th, 2015

Proposal for:

Hornthal, Riley, Ellis and Maland, LLP
301 East Main Street
Elizabeth City, NC 27909

Regarding:
Tenant Up Fit/Office

\$126,050 based off of preliminary estimate.
Approx 2500 square feet of finished space

Provide Labor and Materials for the following:

- Architectural Design and consulting
- City of Elizabeth City Building Permit and preliminary meetings
- Elizabeth City planning dept approval
- Waste disposal
- Demo of existing 1st floor non load bearing walls
- Demo of existing 1st floor acoustical grid ceiling and finished floors
- Remove ceiling fire barrier and relocate wiring/duct work to accommodate structural support.
- Relocate HVAC ductwork to accommodate new floor plan.
- Demo existing break room cabinets and plumbing.
- Demo existing bathroom fixtures.
- Relocate any wiring to accommodate new floor plan.
- Electrical allowance of \$5,800 for moving and relocating switches/receptacles, etc..
- Insulate all interior walls for sound protection.
- Provide and install 5/8" sheet rock in new areas.
- Sheetrock to be slick finish brought to a level 4 finish
- Paint new walls and ceilings. Primer to be USG Tuff Hide Hi build. (2) top coats with Sherwin Williams latex paint
- Provide and install trim materials to match existing office space
- Provide and install all new solid core interior doors.
- Provide and install new bathroom vanities and toilets.
- Provide and install new commercial grade carpet at \$26 per yard allowance.
- Final Clean

H. A. YOUNG
CONTRACTING, LLC

PO Box 2448
Beaufort, NC 28516
252-723-9393
Fax: 888-830-9170
Email: hunter@hayoungcontracting.com
License Number: 67970

Attn: Phil Hornthal

PROPOSAL

December 18, 2015
301 East Main Street
Elizabeth City, NC 27909

Architect: TBD

Plan Pages / Dates: Based on preliminary drawings

We propose to furnish and install the following:

Alterations and additions to existing office facility in accordance with specifications noted below and preliminary plans identified above. **\$132,937.00**

Clarifications:

- This estimate will expire in 30 days
- New finishes are to match existing and / or to Contractor's best efforts
- Allowance amounts represent the direct material and / or labor "cost" of the item
- Proposal includes building permit procurement, rental of a temporary toilet facility, dumpster rental / disposal fees, and construction clean upon completion

Exclusions:

- Engineering, surveying, site work
- Rerouting/removal of major concealed vents, pipes, ducts, wiring, and conduit through the slab which may be discovered in the removal of referenced walls
- Repair of rot or insect infestation; correction of existing out-of-plumb or out-of-level conditions in existing structure
- Water heater procurement

SPECIFICATIONS

Demo

- Ground floor non load bearing walls
- Acoustical ceiling tiles and grid
- Existing wiring and plumbing system
- Existing HVAC duct work

Framing Material

- Sill sealer around perimter
- Bottom plate exterior = 2x6 treated
- Bottom plate interior = 2x4 treated
- Ground floor exterior walls = 2x6 spruce @ 16" o.c.
- Ground floor interior walls = 2x4 spruce @ 16" o.c.
- Headers = 2x10 yellow pine
- Ceiling joist = 2x6 spruce

HVAC

- Carrier split system per schedule; Comfort Series (not Performance Series as noted on M1)
- Exhaust fans per schedule
- Relocate outdoor heat pump
- Relocate duct work to accommodate new office layout

Plumbing

- Proposal includes water heater per drawings
- Bath vanities and fixtures.
- Hot and cold water line in PEX
- Mop sink and wash tub by owner

Electric

- Wiring in MC cable
- Equal fixtures used in proposal

Insulation

- Interior walls R19 batts
- Attic ceiling R30 batts
- Proper vents

Drywall

- Ceiling material Acoustical tiles
- Wall material = USG ½" UltraLight or equal
- Joint treatment = paper strip and (3) coats of joint compound finished smooth

Finish Carpentry

- Casing = 1x4 square edge primed
- Head piece = Profile EC1
- Base = 5.25" prime; profile 610
- Crown = Profile EC1
- Bead board = 3/8" plybead
- Interior doors = 1 3/8" pine full view x 6/8 (not 7/0 as noted on A1)
- Locks = Schlage's Accent in satin nickel (keyed entry x 2; passage x 5)

Interior Paint

- Walls = Sherwin Williams Cashmere or HGTV

Flooring

- Commercial grade carpet/pad at \$26 per yard