



# MEMORANDUM

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**To:** Mayor and Members of the City Council

**From:** Rich Olson, City Manager

**Date:** November 9, 2016

**Re:** Consideration – Hold a Public Hearing for a Downtown Improvement Grant Program Application for Coasters Downtown Draught House, LLC

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***BACKGROUND:***

The City of Elizabeth City Downtown Improvement Grant (DIG) Program is in the fourth 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.

\$80,000 has been budgeted for DIG Grants for FY 2016-2017. Six (6) DIG applications were submitted for the first round of grant consideration. Three (3) are being recommended for approval, with a total combined grant outlay of \$51,070.00. The City has expended \$20,000.00 this fiscal year on the DIG program. This was spent for a DIG application approved in FY2015-2016, but was not closed out until this fiscal year.

***ANALYSIS:***

Debra Swain, managing member of Coasters Downtown Draught House, LLC, is requesting financial assistance to renovate a recently purchased adjoining structure at 216-A North Poindexter Street. The building was the most recent location of Phelp's Coiffures and has been vacant for a number of years. The purpose of the renovation is the expansion of the existing Coaster's operation, a popular local draught house operating as a private club. Coaster's has been a stable business in the downtown area for the last 10 years, surviving the economic downturn as well as the major road construction in and around the business. In her application, Ms. Swain requests a \$14,000.00 grant award toward a total project cost of \$28,000.00.

If awarded, the funds will be applied to the following building improvements:

- Addition of new heating and air conditioning returns
- Repair and painting of damaged acoustical ceiling

- Installation of emergency exit signs
- Construction of new 30' long bar with back bar cabinets
- Upgrading of existing light fixtures and installation of new lighting over bar
- Addition of electrical circuits (at least 4)
- Upgrading of existing plumbing
- Cosmetic repair and painting of existing walls
- Repair and replacement of existing VCT and vinyl flooring (in rear section)
- Removal of existing partition walls and rebuilding
- Creation of an guest pass through between the two units with a cased doorframe
- Creation of an employee pass through between the two units with a cased doorframe
- Relocation of existing kitchen equipment (no new equipment added)
- Addition of a urinal to the existing female bathroom, making it a unisex bathroom
- Removal of existing partition walls and rebuilding of current bathroom for ADA compliance
- Repair existing rear door and framing, including drywall, paint and trim
- Removal and rebuilding of existing door and surrounding wall to meet fire code
- Removal of exterior door handle on front door and installation of panic exit bar, making it egress only

When expansion is complete, Coaster's Downtown Draught House, LLC proposes to employ three (3) additional employees, one (1) full time, and two (2) part-time persons. The expansion would double the existing operating area of the business expanding its capacity. The expanded area of the business will include a second bar with bar seating and a more casual seating area. They will offer live entertainment on a regular basis.

Included in the application are two bids for the project – one from Darby Renovation & Repair in the amount of \$27,500.00; the other from Fenton Construction in the amount of \$28,772.00.

The following individuals have visited the site for review of project details: Angela Cole, Assistant City Manager; June Brooks, Planning Director; Brent Thornton, Building Inspector; Chris Carver, Assistant Fire Chief; and Deborah Malenfant, ECDI Director. A summary of their findings is attached as part of this recommendation.

The following individuals rated and scored the application: Rich Olson, City Manager; Angela Cole, Assistant City Manager, June Brooks, Planning Director; Wayne Harris, Elizabeth City-Pasquotank County Economic Development Director. The composite score of the matrix rating system for this application is 70.44.

After the presentation of this request during the October 31, 2016 Council meeting, the Council called for a Public Hearing on this matter to be held during the November 14, 2016 Council meeting.

***FINANCIAL:***

The Finance Committee discussed this matter during their meeting of November 9, 2016. During the discussion, staff requested that a condition be placed on the award to require

that the money be spent by June 1, 2017. The Finance Committee agreed to the suggested condition. Upon motion made by Mayor Peel, seconded by Councilman Donnelly, the committee recommended approval of the grant request to Coasters Downtown Draught House, LLC.

***STAFF RECOMMENDATION:***

***At the conclusion of the public hearing:***

By motion, approve Coasters Downtown Draught House, LLC's Downtown Improvement Grant Program request in the amount of \$13,750; and further, require that the funding be expended by June 1, 2017.