



MEMORANDUM

To: Mayor and Members of the City Council

From: Rich Olson, City Manager

Date: November 9, 2016

Re: Consideration – Hold a Public Hearing on the Downtown Improvement Grant Program Application for ECBC, LLC

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:

Dean Schaan, managing member of ECBC, LLC, is requesting financial assistance to renovate the façade of a structure at 113 North Water Street. The building is referred to as the Fowler Building and has been vacant for a number of years, with the last tenant being Earth 383's Comics and Games. The façade renovation is Phase I of a multi-phase project. The proposed business will be a new state-of-the-art, microbrewery and tasting room. A microbrewery is classified by the number of beer barrels it produces in a year, which is a limit of 15,000 barrels, and at least 75 percent of that beer must be sold outside of the brewery. In his application, Mr. Schaan requests a \$17,320.00 grant award toward a total Phase I cost of \$34,640.00. The estimated cost for the entire project is between \$400,000 and \$500,000 with a completion time of between 18 and 24 months.

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

- Removal of false vinyl front façade of 2nd story
- Repair and pointing up of mortar on entire frontage of building to ensure integrity of brickwork
- Reconstruction of existing front exterior entrance and exit area and replacement of doors for ADA compliance and fire life safety code requirements
- Electrical additions/upgrades to supply entrances with necessary lighting for safety/security
- Installation of electrical lighting fixtures and lighting to enhance the newly restored façade
- Replacement of front ground level windows for stabilization and weatherization
- Repair and replacement of nine second story windows and frame that are currently deteriorated and broken
- Repair and replacement of all glass on first floor frontage with tempered safety glass
- Removal of pink/red paint from brick
- Repair and painting of all wood frames and walls on first floor frontage
- Painting and sealing entire frontage of building, including galvanized metal

Application for Zoning Permit has not yet been filed with the City Planning Department. It cannot be filed until such time as the business use has been added to the City's UDO. A Certificate of Appropriateness has been issued for this project.

When operational, ECBC, LLC proposes to employ four (4) full-time and six (6) part-time persons. The business would be a fully operational microbrew production facility that brews and bottles/cans/kegs craft malt beverages on premises. It would contain a brewing production area and a tasting room, and would offer to-go growlers and crowlers for purchase. They also plan to offer simple foods for customers. The estimate timeframe for completion of the entire project is between 18 and 24 months.

Included in the application are two bids for the façade phase of the project – one from Fenton Construction in the amount of \$34,640.00; the other from Dan Lease General Contractor in the amount of \$55,000-\$65,000.

The following individuals have visited the site for review of project details: Rich Olson, City Manager; Angela Cole, Assistant City Manager; Kaitlyn Alcock, Planner; Brent Thornton, Building Inspector; Chris Carver, Assistant Fire Chief; Karl Clow, Electric Superintendent; and Deborah Malenfant, ECDI Director. A summary of their findings is attached as part of this recommendation. It is noted that all initial preliminary review approvals are pending a Certificate of Appropriateness (application has been submitted).

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 80.63.

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 ECBC, LLC.

STAFF RECOMMENDATION:

At the conclusion of the Public Hearing:

By motion, approve ECBC, LLC's Downtown Improvement Grant Program request for Phase I of the project in the amount of \$17,320.00, contingent upon City Council approving the addition of the business use to the City's Unified Development Ordinance and receipt of a Certificate of Appropriateness from the Planning Department; and further, require that the funding be expended by June 1, 2017.