



# MEMORANDUM

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**TO:** Members of the Finance Committee

**FROM:** Rich Olson, City Manager  
June Brooks, Planning Director

**DATE:** July 30, 2016

**REF:** **Consideration** — Call for a Public Hearing regarding the Small Cities Community Development Block Grant (CDBG) Downtown Redevelopment Fund Grant for the Southern Hotel building

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***BACKGROUND:***

This request is for the Finance Committee to recommend that the City Council call for a Public Hearing to be held on August 22, 2016, to obtain public comment during the application process for the Southern Hotel Project for which Small Cities CDBG Downtown Redevelopment Funding will be sought to renovate the structure into a usable building. This project will also create much needed jobs in our community. A pre-application public hearing was held in March 2016; however, the City is required to hold a second public for submission of the final application.

***ANALYSIS:***

The Downtown Redevelopment Fund is a small CDBG program administered by the Department of Commerce. The program offers up to \$500,000 in funding assistance to non-entitlement communities for infrastructure upgrades to vacant or underutilized downtown buildings in order to meet current code requirements. “Underutilized buildings” are defined as properties that are less than fully utilized or used below their potential, such as upper floors of multi-story buildings that are being used for storage.

City Staff intends to apply for up to \$500,000 in grant assistance for building rehabilitation activities for the Southern Hotel, located at 100 East Main Street, Elizabeth City via the Downtown Redevelopment Fund.

City Staff is seeking public input and opinion on the application for the Southern Hotel. The intention of the investors is to renovate the structure into a modern, fully functional hotel, with a multi-purpose room for conferences, weddings, and other large gatherings.

The investors intend to bring 50 additional jobs to Elizabeth City as a result of the renovation project.

Staff has been advised that this renovation will be in excess of \$12 million when completed. The applicant will be seeking Historic Tax Credits, New World Tax Credits, and private investment funding.

***STAFF RECOMMENDATION:***

By motion, recommend that the City Council call for a Public Hearing to be held on Monday, August 22, 2016 at 7:30 p.m. (or as soon thereafter as the agenda allows) in Council Chambers of the Municipal Administration Building, 306 E. Colonial Avenue to gather citizen input regarding the final application for the Southern Hotel CDBG Downtown Redevelopment Fund Grant.

RCO/vdw