



## Vacant Building Revitalization and Demolition Grant Guidelines

The City of Hickory's Operation: No Vacancy initiative aims to redevelop distressed commercial and industrial areas. The changing nature of industrial and commercial development has led to disinvestment in certain areas of the city. This initiative provides infrastructure investments and targeted development incentives to encourage redevelopment and reinvestment in the city's urban core.

The Vacant Building Revitalization Incentive Grant program is one of the core programs of Operation: No Vacancy. The grant is intended to encourage the reuse of existing buildings that have been identified by city staff as vacant or under-utilized within a designated Urban Revitalization Area. This grant program is designed to help owners of vacant and under-utilized property make improvements that will result in the occupancy and reuse of the buildings.

### Purpose of the Vacant Building Revitalization Grant Program

1. Attract reinvestment in distressed commercial and industrial corridors;
2. Encourage projects that will help reduce blight in the Urban Revitalization Area.
3. Encourage new and existing businesses to locate in substandard and functionally obsolete vacant buildings;
4. Beautify, upgrade, and market, vacant properties in the Urban Revitalization Area;
5. Stimulate and encourage good design in the rehabilitation of vacant properties; and
6. Preserve the unique character of historic properties;
7. Encourage the formation of public/private partnerships for revitalization efforts.

### Geographic Boundaries of the Grant Program

The City of Hickory has designated an Urban Revitalization Area within the city limits. (See attached map.) Suspect Brownfield Sites, as determined by the Planning Director, are also eligible regardless of location. Other former mill or industrial buildings may be considered eligible if the redevelopment will contribute to the revitalization of the surrounding neighborhood as determined by the Planning Director. Only vacant commercial and industrial buildings are eligible.

### Features of the Vacant Building Revitalization Grant

One grant of up to \$20,000 or 15% of eligible projects costs (whichever is less) are available for interior and exterior improvements to vacant non-residential buildings greater than 10,000 square feet that are located in the Urban Revitalization Area. Multi-unit office and retail spaces are not eligible unless the entire building is vacant. Proposed renovations must include the entire building. City staff maintains a comprehensive list of vacant non-residential buildings in the city. The proposed building must be included in the inventory, unless the Planning Director makes a determination that the building is vacant and should be included in the inventory. The program is also open to suspect Brownfield sites, as designated by the Planning Director, regardless of location. Grants are awarded on a competitive basis, as appropriated funds are available within each fiscal year, with priority given to suspect Brownfield sites. Once funds are encumbered, the program is temporarily suspended until, and if, new funds are awarded through the subsequent budget process. During such time, the Business Development Committee may review completed applications for consideration, but those applications will not move forward until the next fiscal year or until funds are available. Grants are reviewed and considered on a first come-first serve basis.

- Grants are awarded on a reimbursement basis.
- Approvals for a grant must be secured before work begins on the proposed project.
- Applicants must invest at spend at least \$35,000 in eligible project improvements to be eligible for grant funding. At least \$10,000 of the investment must include exterior improvements to the building.
- Buildings must be vacant for at least 12 months to qualify for grant funding.
- Projects must be for improvements to buildings and must respect the architectural integrity of the structure and its historic significance. Designated historic structures must comply with the city's historic preservation requirements. Examples of eligible improvements include, but are not limited to, the following list:
  - Window replacement
  - Repairs to the façade
  - Repairs to or replacement of the roof
  - HVAC, plumbing, and electrical systems
  - Interior up-fits

- Improvements necessary to protect the structural integrity of the building
- Door repairs or replacement
- Awnings
- Environmental site assessment and remediation
- Site work, landscaping improvements, paving
- Funds may also be used for the demolition of substandard buildings, if approved by the Business Development Committee. If plans are not submitted for a new structure on the site at the time of the application, the applicant then must submit a site restoration plan for the vacant lot to ensure that the site is adequately cleaned up and will not contribute to blight in the community. The amount available for demolition will be at the discretion of the committee based on whether or not demolition is in the city's best interest and the best interest of the surrounding area. Grants for demolition are available at a maximum of 35 percent of demolition and site restoration costs up to a maximum of \$15,000.
- Properties are considered for only one grant—either the vacant building revitalization grant OR the demolition grant. Subsequent and future grants are not available for the same property.
- Signage and business property are not eligible for grant funding. With the exception that signage improvements that involve the removal of nonconforming signs may be eligible for funding.
- Repairs eligible for grant funding must include the side fronting the street to which the building is addressed.
- Structure must be covered by a current insurance policy sufficient to cover the value of the structure plus improvements.
- Applicants must submit a reuse plan which details the applicant's plans to market and reuse the property.
- All activities must lead to the reuse of the vacant building within 24 months of the grant award. The site plan for demolition must be completed within 180 days of the grant award unless otherwise approved by Council. During the designated demolition and/or revitalization period, the affected property must remain in compliance with the Hickory Code of Ordinances and the Land Development Code.
- Suspect Brownfield sites and vacant manufacturing and warehouse buildings will be given priority.
- End users must be proposed for at least fifty percent of the building square footage. Existing businesses already located within the City of Hickory are not eligible for funding unless the Business Development Committee and City Council conclude that the relocation constitutes a significant expansion of the business. Changes to proposed end users outlined in the original application must be approved by City Council.
- Since one of the purposes of the program is to upgrade the building stock and stabilize declining buildings, successful applications will likely involve buildings that have not been significantly renovated in the past 15 years.
- There is no right or entitlement to grant funding. All funding decisions are made at the discretion of the granting authority and subject to budget appropriation.

## Review Criteria

When reviewing proposals, the committee shall take the following into consideration:

- strength of the applicant's Reuse Plan
- impact to the tax base and the overall economic impact of the project
- number of jobs created by the project
- reduction of crime
- improvement to the overall appearance of the site, building, and business district
- how well the project accomplishes the goal of this program and the overall goals of Operation: No Vacancy
- whether the project meets the requirements outlined above
- length of time the building has been vacant
- compliance with the Hickory Code of Ordinances, the Land Development Code, and current master plans
- whether the building is a suspect Brownfield site
- appropriateness of the proposed use and the compatibility of the design of the redeveloped building to the surrounding area
- whether the proposed project will help reduce blight in the surrounding area

When evaluating proposals, the Business Development Committee, in light of the above factors, shall recommend approval or denial of the proposal by the Hickory City Council. If the Business Development Committee recommends

disapproval of the grant, the application will only be presented to City Council if a written request of the applicant to proceed is received within 7 days of the Business Development Committee's decision.

The authority for this program is granted by NCGS 158-7.1, which gives cities and counties the authority to give cash grants for economic development purposes. A public hearing is required prior to approval of the grant by Hickory City Council.

## **Payment Schedule**

### ***Building Renovations***

- Applicant will receive the grant award upon completion of improvements, receipt of a permanent Certificate of Occupancy, and occupancy of at least 50 percent of the building square footage by a use that is eligible for funding.
- During the designated demolition and/or revitalization period, the affected property must remain in compliance with the all applicable sections of the Hickory Code of Ordinance, the Land Development Code, and current master plans.

### ***Performance Agreement Required***

- Funds disbursed are treated as a forgivable loan. The performance period will last 3 years from the date funds are disbursed. The loan amount will be forgiven after the performance period provided at least 50 percent of the building square footage remains continuously occupied by a use that is eligible for funding under these guidelines.
- A project will be considered in breach of the performance agreement if any of the following conditions are met:
  - More than 10 percent of the building is occupied by a use not eligible for funding
  - More than 50 percent of the building square footage is vacant for more than 90 days.
  - Any of the funded improvements are removed within the performance period
- 1/3 of the loan amount will be forgiven annually on the anniversary of the date on which the grant award was made. If all conditions of the performance agreement are met, the loan will be forgiven after three years.

### ***Building Demolition***

- In cases where city funds are used for demolition and no building is being constructed, the approved site restoration plan must be completed before funds are disbursed.
- Upon inspection and completion of the approved site restoration plan, 100% of the grant award will be disbursed.
- The site plan for demolition must be completed within 180 days of the grant award unless otherwise approved by Council. City Council may in its sole discretion grant a longer time period based upon the complexity of the project.
- During the designated demolition and/or revitalization period, the affected property must remain in compliance with the all applicable sections of the Hickory Code of Ordinance, the Land Development Code, and current master plans.

## **Applicant Eligibility**

Applicant must:

- Be the legal owner of the property (a copy of deed to the property is required);
- Furnish a current list of owners/partners and staff;
- Be financially stable;
- Not owe any back taxes, utilities fees, or civil penalties;
- Not have any properties within city limits that are currently subjects of zoning or code enforcement actions.
- No work may have started on the renovation of the building prior to grant application approval by City Council.

## **Funding Eligibility Exclusions**

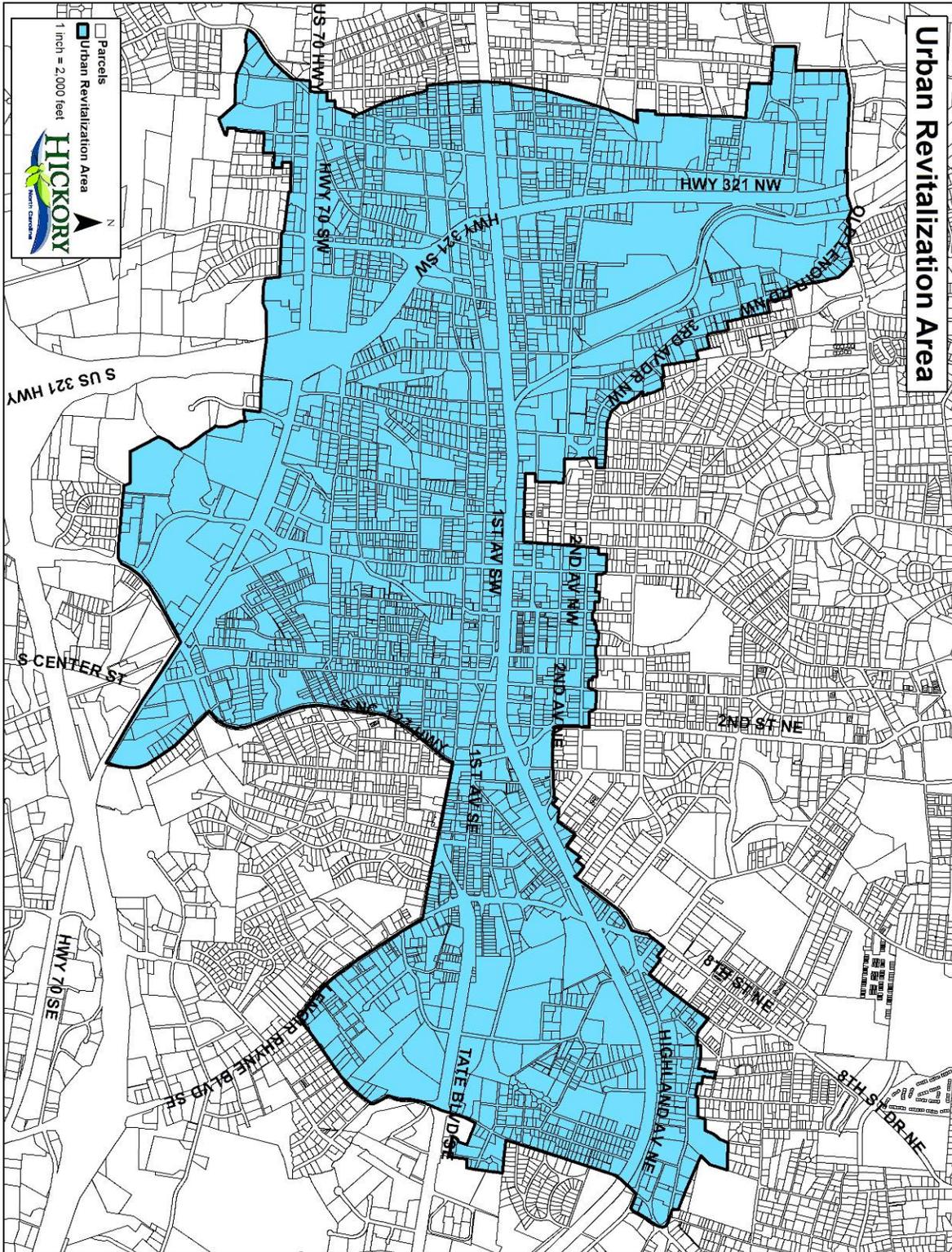
The following uses are not eligible for funding:

- One and Two Family Residential uses (Multi- Family and Mixed use residential and commercial projects may be considered). Note that existing multi-family complexes and residential structures are not eligible. The building must have been previously used for commercial or industrial purposes;
- Religious organizations for sectarian purposes;
- Not for profit organizations (non-profit organizations may lease buildings from for profit companies provided that the building stays on the property tax roll);
- Buildings not within the City of Hickory municipal limits;
- Individual K-12 schools (public or private);
- Organizations that discriminate on the basis of race, culture, gender sexual orientation, age, or religion;
- Political activities;
- Adult businesses;
- General storage, which is defined as the haphazard storage of goods within a building, is not permitted as an eligible use. Warehouse operations may be permitted if the business creates at least one full time job based out of the redeveloped building.
- Civic Organizations.

### **Funding Constraints**

Grants are reviewed and considered on a first come-first serve basis and are awarded on a reimbursement basis. See the requirements above for more information.

City Council awards grants on a discretionary basis, as funds are available within each fiscal year, with priority given to suspect Brownfield sites. Once funds are encumbered for the fiscal year, the program is temporarily suspended until, and if, new funds are awarded through the subsequent budget process. During such time, the Business Development Committee may review completed applications for consideration, but those applications will not move forward until the next fiscal year or until funds are available. Approvals for a grant must be secured before work begins on the proposed project.



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**VACANT BUILDING REVITALIZATION GRANT PROGRAM  
APPLICATION**



Applications should be submitted to the Department of Planning and Development. For more information, please contact David Leonetti at (828) 323-7422.

**APPLICANT INFORMATION**

Legal Name of Applicant (must be the owner of the property):  
\_\_\_\_\_

Mailing Address: \_\_\_\_\_ Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ FAX: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Project Manager Name and Title (if different than above.):  
\_\_\_\_\_

Project Manager Organization Name:  
\_\_\_\_\_

**PROJECT INFORMATION**

Amount Requested: \$ \_\_\_\_\_ Project Title: \_\_\_\_\_

Address of Building: \_\_\_\_\_ Zoning of the Parcel: \_\_\_\_\_

Proposed Use:  
\_\_\_\_\_

Year Building was constructed: \_\_\_\_\_ Length of Time Building has been Vacant: \_\_\_\_\_

Square Footage of Building:  
\_\_\_\_\_

**BUDGET INFORMATION**

Total Cost of Renovation Project (excluding property acquisition): \$  
\_\_\_\_\_

Total Eligible Project Expenses: \$ \_\_\_\_\_ Amount of Grant Request: \$ \_\_\_\_\_

Total Public Investment: \$ \_\_\_\_\_ Total Private Investment: \$ \_\_\_\_\_

**REQUIRED ATTACHMENTS**

All applications must include the following information:

- Completed application form
- A brief written description of the project
- Surveyed site plan indicating the location of all structures, landscaping, parking areas, and other features
- Building elevations of all sides of the building indicating proposed building materials and colors

- Detailed Cost Estimates and Scope of Work. A detailed Scope of Work that identifies the work tasks and associated costs should be provided in line-item form. Estimates/bids from at least two (2) contractors must be included for all proposed activities.
- Reuse plan indicating future plans for the property, funding partners, future tenants, etc.
- Site restoration plan, if funding is being used for demolition of a substandard building.
- Color photographs of the existing site or project area
- Current list of owners and occupants
- Copy of applicable insurance
- Copy of lease(s), if applicable

Property Owner Signature: \_\_\_\_\_  
(Must be Notarized)

NORTH CAROLINA  
 \_\_\_\_\_ COUNTY

I, \_\_\_\_\_, a Notary Public for said County and State, do hereby certify that  
 \_\_\_\_\_ personally appeared before me this day and acknowledge the due execution  
 of the foregoing instrument.

Witness my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
 Notary Public  
 My Commission Expires: \_\_\_\_\_