



Urban Revitalization Area Program 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 for the purpose of preserving older neighborhoods and properties.

Four programs, which are considered Community Development Programs under NCGS §160A-456, represent the core of the initiative. These programs include the Vacant Building Revitalization Program, the Vacant Building Demolition Program, the Residential Production Program, and the Fire Suppression Program. These vacant building revitalization, residential production, and fire suppression programs encourage redevelopment within the Urban Revitalization Area by assisting property owners in making improvements that will result in the occupancy and rehabilitation of buildings and sites. The demolition program aims to encourage the redevelopment of sites with substandard buildings and reduce blight.

Purpose of the Program

- a. Encourage the formation of public/private partnerships for revitalization efforts.
- b. Attract reinvestment in distressed commercial and industrial corridors;
- c. Encourage projects that will help reduce blight in the Urban Revitalization Area.
- d. Encourage new and existing businesses to locate in substandard and functionally obsolete vacant buildings;
- e. Beautify, upgrade, and market, vacant properties in the Urban Revitalization Area;
- f. Stimulate residential development in the downtown area;
- g. Stimulate and encourage good design in the rehabilitation of vacant properties; and
- h. Preserve the unique character of historic properties.

Geographic Boundaries and Eligibility Requirements of the Program

Only vacant commercial and industrial buildings are eligible for the programs. Eligible buildings must be located within designated geographical areas as described below.

The City of Hickory has designated an Urban Revitalization Area (URA) within the city limits. (See attached map.) Buildings receiving funds through these programs must be located within the URA unless otherwise noted in these guidelines. High priority suspect brownfield sites along with former mill or industrial buildings located outside the URA may be considered eligible for the Vacant Building Revitalization and Demolition programs, if the Planning Manager finds that the redevelopment will contribute to the revitalization of the surrounding neighborhood. The Residential Production Program is only open to properties zoned C-1 within the Central Business District located within the URA.

Features of the Program

a. General Features

- Properties may be considered for funding in each of the following programs with certain exceptions.
 - Properties may not receive funding from both the revitalization and demolition programs.
 - Once a property receives funding from one of the four revitalization programs, it may not receive funding from that same revitalization program for a period of five years provided all additional eligibility requirements are met.
- Signage and business equipment expenses are not eligible for funding, with the exception that signage improvements that involve the removal of nonconforming signs may be eligible for funding under the Vacant Building Revitalization and Demolition Programs.

- Structure must be covered by a current insurance policy sufficient to cover the value of the structure plus improvements
- Suspect Brownfield sites and vacant manufacturing and warehouse buildings will be given priority.
- 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.
- 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.
- Applicants must submit a reuse plan which details the applicant's plans to market and reuse the property.
- All funding is awarded on a competitive basis, as appropriated funds are available within each fiscal year. Projects are reviewed and considered on a first come-first serve basis.
- There is no right or entitlement to funding. All funding decisions are made at the discretion of the Hickory City Council and are subject to budget appropriations.
- Funds are awarded on a reimbursement basis.
- Approvals for all programs must be secured before work begins on the proposed project. No funds will be paid for work done prior to approval of the forgivable loan or grant.

b. Vacant Building Revitalization Forgivable Loans

- One forgivable loan of up to \$20,000 or 15% of eligible projects costs (whichever is less) is available for interior and exterior real property improvements to vacant non-residential buildings between 5,000 and 15,000 square feet. Buildings larger than 15,000 square feet could be eligible to receive a forgivable loan of up to \$25,000 or 15% of project costs (whichever is less).
- Multi-unit office and retail spaces are not eligible unless the entire building is vacant. Proposed renovations must include the entire building.
- Buildings must be vacant for at least 12 months to qualify for funding.
- Applicants must invest at least \$35,000 in eligible project improvements to be eligible for funding. At least \$10,000 of the investment must include exterior improvements to the building.
- 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
- All activities must lead to the reuse of the vacant building within 24 months of the loan award.
- 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.

c. Vacant Building Demolition Grant Program

- Funds may be used for the demolition of substandard buildings, if approved by the Business Development Committee.
- Grants for demolition are available at a maximum of 35 percent of demolition and site restoration costs up to a maximum of \$15,000. The amount available for demolition grant will be at the discretion of the Business Development Committee and City Council based on whether or not demolition is in the city's best interest and the best interest of the surrounding area.
- Buildings must be at least 10,000 square feet to qualify for demolition funding.
- Buildings must be vacant for at least 12 months to qualify for funding.
- 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.
- 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 funding 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.

d. Residential Production Program Forgivable Loans

- This program aims to increase the supply of residential units in the downtown area.
- Only properties zoned C-1 (Central Business District) are eligible for funding.
- Both new construction and rehabilitation of existing buildings are eligible for funding.
- For existing buildings, the entire building need not be vacant to qualify for funding. However, the portion of the building being proposed for rehabilitation into new housing units must have been vacant for at least six months and must not have been used for housing in the past.
- The maximum total funding per property for this program is \$20,000.
- Forgivable loans of \$5 per square foot up to a maximum of \$4,000 per unit to convert and renovate existing space into new housing units may be eligible for funding.
- Applicants must spend at least \$35 per square foot on the residential renovation portion of the project.
- Only costs related to the up-fit of the residential portion of the building are eligible for determining the \$35 square foot minimum investment.
- All activities must lead to the reuse of the building for residential purposes within 24 months of the loan award.

e. Fire Suppression Program Forgivable Loans

- This program aims to support the rehabilitation of existing buildings by providing funds to install code required fire protection infrastructure that facilitates the re-use of an existing building.
- Buildings must have been vacant for at least 12 months prior to the application to qualify for funding.
- Forgivable loans of up to \$8,000 or 50% of fire protection installation costs, whichever is less, may be awarded for the installation of code required fire protection infrastructure.
- Eligible expenses include: sprinkler and fire alarm system installation, fire hydrant installation, and other code required fire protection improvements approved by city staff.

- The total rehabilitation project must be at least \$100,000 in order to qualify for funding. Paid invoices must be provided to determine the total rehabilitation project cost. Only those funds spent on the installation of fire protection equipment will be eligible for re-imbusement.
- All activities must lead to the reuse of the building within 24 months of the loan award.

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.

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 and demonstrate the ability to carry out the project;
- Document the proposed financial investment in the project.
- Not owe any back taxes, utilities fees, liens, judgments, or other civil penalties;
- Not have any properties within city limits that are currently subjects of zoning or code enforcement actions.
- Not have started on the renovation or demolition of the building prior to application approval by City Council.

Review Criteria and Process

Staff will review all applications for assistance under these programs and make a recommendation to the Business Development Committee. When reviewing proposals, the Business Development 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
- number of housing units created by the project
- whether the project can reasonably be expected to lead to a reduction in 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 overall program requirements

- 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

The Business Development Committee, in light of the above factors, shall recommend approval of the application or deny the application. This decision shall not be appealable to City Council.

Project Funding Example

\$300,000 total investment in a mixed use 8,000 square foot building with 2 new residential units proposed for the second floor of the building.

\$20,000 vacant building revitalization forgivable loan (15% of \$300,000 with a maximum of \$20,000)

\$8,000 residential production grant (\$5 per square foot up to a max of \$4,000 per unit)

\$8,000 fire suppression grant (50% of sprinkler system installation costs up to a maximum of \$8,000)

\$36,000 potential total funding

Performance Agreement Required

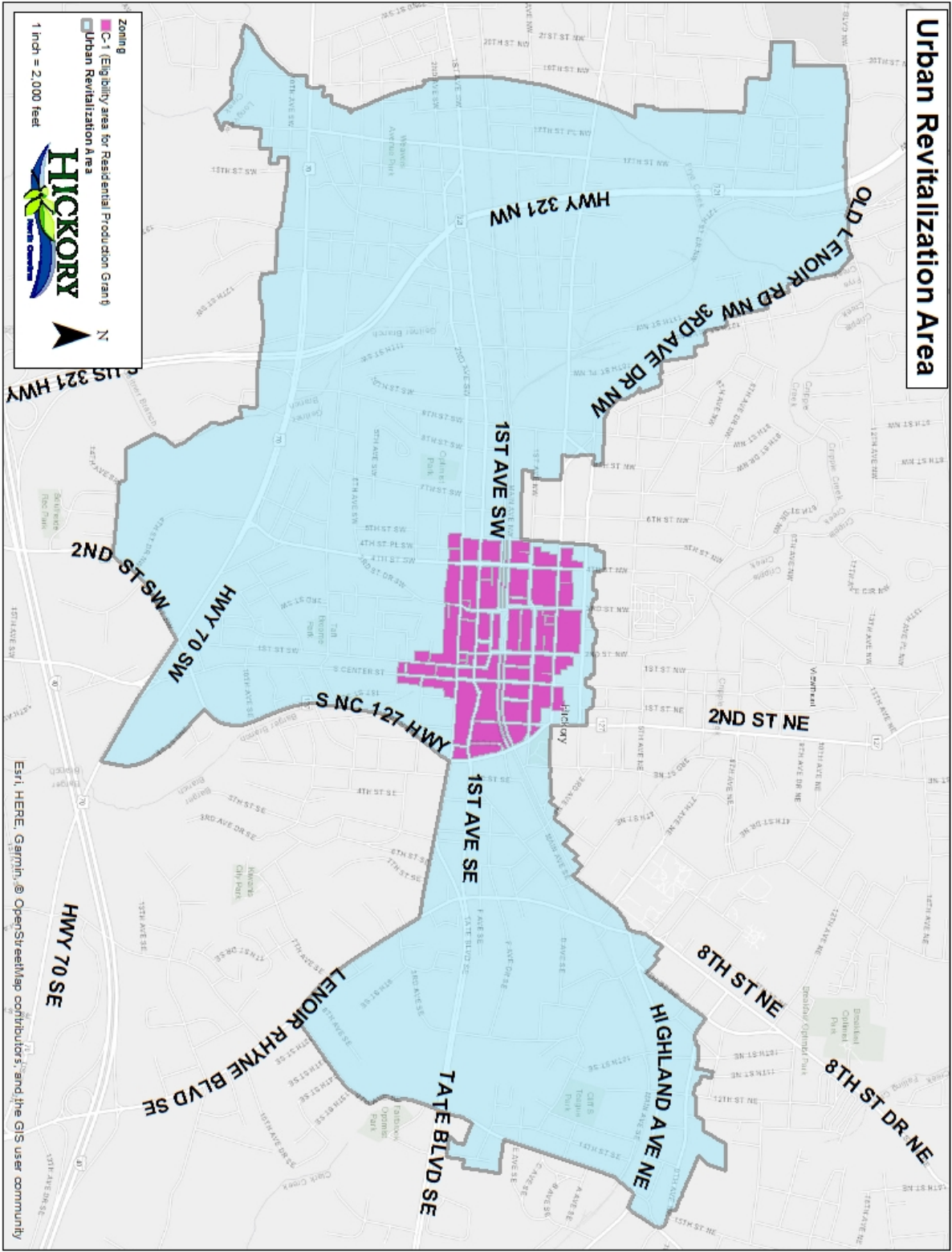
- Applicants approved for funding by City Council must enter into a performance agreement with the City.
- Funds disbursed are treated as a forgivable loan. The performance period will last 3 years from the date funds are disbursed. The loan amount will be forgiven after the performance period provided 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.
 - Any zoning or code enforcement violations on the subject property are not corrected within 90 days.
- 1/3 of the loan amount will be forgiven annually on the anniversary of the date on which the funds were disbursed. If all conditions of the performance agreement are met, the loan will be forgiven after three years.

Payment Schedule

Building Renovations (includes Revitalization, Residential Production, and Fire Suppression programs)

- Applicant will receive payment upon completion of improvements outlined in the original application, 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. If project involves residential production, at least 50% of the units produced must be occupied prior to payment. For example: if three units are produced two must be occupied prior to payment. If two units are produced, one must be occupied prior to payment. If one unit is produced, it must be occupied prior to payment.

- During the designated revitalization period, the affected property must remain in compliance with the all applicable sections of the Hickory Code of Ordinances, the Land Development Code, and current master plans.



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**VACANT BUILDING REVITALIZATION GRANT PROGRAM
APPLICATION**



Applications should be submitted to the Office of Business 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
- Schematic plans including floor plan indicating gross sq. ft. of residential space and sq. ft. protected by sprinkler system, if applicable.
- 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: _____