

Grant program attracts attention

By *MIKE VOSS, Contributing Editor*

A grant program is providing money to find new uses for old buildings and create jobs at the same time. The city, on behalf of developers and/or building owners, is seeking \$690,000 for three proposed projects.

“It’s real popular,” said Bobby Roberson, director of planning and development for Washington, on Monday. “It’s another great example of public-private partnership.”

Two other people with property in the city’s central business district are interested in participating in the program, Roberson noted.

Last week, the City Council authorized the mayor to sign two applications seeking a combined \$290,000 from the N.C. Rural Economic Development Center’s Building Reuse and Restoration Grants Program, which began in the fall of 2004. The city is seeking \$40,000 to help restore the former Carver’s building at 1050 E. Main St. (next to Backwater Jack’s). The city would apply for the money on behalf of Inner Banks Outfitters. The company will provide the \$1,000 the city is required to put up as its match, if the city is awarded the grant.

Inner Banks Outfitters plans to rent kayaks, bicycles and Segway scooters, provide guided tours (by kayak) of area waterways and conduct athletic events that incorporate use of kayaks and bicycles. The new business wants to open by early May.

The new business will create four full-time jobs, according to the IBO application.

The council authorized the mayor to sign an application seeking \$250,000 to help fund improvements to the Turnage Theaters building. The money, if awarded, would come from the Rural Center’s building reuse and restoration grants program. Once the Turnage project is completed, the equivalent of 25 full-time jobs should be created, according to Turnage Theaters Foundation officials.

The city’s existing pledge of \$450,000 toward the Turnage project would meet the program’s requirement of a contribution by the city to the project. Program guidelines require grants be awarded to a local government, which passes the funds to the appropriate entity.

In January, the council authorized the mayor to sign an application seeking \$400,000 to help pay for converting the former McQuay Building on the city’s waterfront into an inn. Developers behind the proposal to build the 1 Harding Square Inn (the working title of the project) agreed to put up \$10,000 — the amount the city is required to contribute if it receives the grant.

Friedman-Ravenwood, LLC, wants to replace the two-story building now at 1 Harding Square with a five-story inn with up to 40 rooms, plus rooftop and ground-floor restaurants. The projected cost of the project is from \$4.5 million to \$5.5 million.

The Building Reuse and Restoration Grants Program is a component of the Rural Center’s \$10.5 million Smalls Towns Initiative, which has committed \$5 million to the grants program for a two-year period.

“We have quite a bit of interest,” said Robin Pulver, the Rural Center’s vice president for community

and human resources development, on Monday. "The program seeks to award grants in distressed areas. Priority is given to towns with populations under 5,000, but we do provide grants to larger towns."

"There are vacant buildings dotting our rural areas," she said.

Vacant mills and empty storefronts are common in the state's small towns, Pulver added. By bringing about the productive reuse of vacant buildings and creating jobs, the program helps increase the tax bases of cities and towns, Pulver noted.

Under the Rural Center's building reuse and restoration grants program, one full-time job (or equivalent number of part-time jobs) is expected to be created for each \$10,000 of grant money awarded.

The program has leveraged \$65 million in additional investments that will create more than 700 new jobs, according to the Rural Center.

"The N.C. General Assembly has authorized funds to stimulate economic development and job creation in distressed areas through constructing critical water and wastewater facilities, addressing technology needs, renovating vacant buildings and implementing research and demonstration projects. The Building Reuse and Restoration Grants Program is designed to spur economic activity and job creation by assisting in the productive reuse of vacant buildings in small towns, with priority to those with a population of less than 5,000," reads the Rural Center's Web site. "Two categories of funding comprise the grants program: pre-development grants and development grants. Pre-development grants will provide funding for activities, such as feasibility assessments, architectural/engineering analyses, etc., needed to solidify firm commitments from private businesses, investors, lenders, and other funding agents. Development grants are provided for more fully detailed projects ready to begin renovation. The total amount of funding allotted to this program is \$2.5 million in FY 2006. Eligible recipients must be units of local government located within North Carolina's 85 rural counties or within the most economically distressed urban counties as designated by the North Carolina Department of Commerce."

Under the program, the maximum grant amount is \$400,000. Applicants must show that results of redevelopment will create new jobs in the private sector within two years of the grant being awarded. To be eligible for the program, buildings must be vacant at least six months before an application is filed.

Under terms of the program, awarded grants will be loaned to the owner of the building, secured by a note and deed of trust. Loans are forgiven after job-creation numbers have been met and verified.

"I specifically like the time line," said Roberson, referring to the requirement that jobs be created within two years of the grant being awarded or all or some of the money must be returned.

If a project calls for creating 20 jobs, but just 18 people are hired, then the developer (or building owner) is required to reimburse the city \$20,000 (\$10,000 for each job not created). The city then reimburses the Rural Center, Roberson said.