

**BUILDING REUSE AND RESTORATION GRANTS PROGRAM  
FY 2010-2011 PROGRAM GUIDELINES AND APPLICATION MATERIALS**

**DEVELOPMENT GRANTS**

Building  
Reuse and  
Restoration



**Building Reuse and Restoration Grants Program Statement**

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 fewer than 5,000.

The guidelines and application for the Building Reuse and Restoration development grants are provided in this information package. Guidelines and application materials for the pre-application conference can be found under separate cover. All grant materials are available on the Rural Center's website at [www.ncruralcenter.org](http://www.ncruralcenter.org).

**Pre-Application Conference Process**

The pre-application conference is the first step in the application process for the Building Reuse and Restoration Grants Program. Pre-application conference materials are available on the Rural Center's website. Once the pre-application conference is complete, applicants may submit a full-application. Pre-application conference forms must be submitted at least seven (7) business days prior to the application deadline date. The full Building Reuse application must be received at the Rural Center by 5:00 p.m. on the deadline date.

**Eligible Applicants**

Eligible applicants are units of local government located in one of the state's 85 rural counties. Typically a local government will apply on behalf of one or more private businesses committed to reusing a vacant building and creating new jobs. Priority will be given to projects in severely distressed counties and towns with populations of fewer than 5000. Maps of North Carolina rural and urban counties and county tier designations are available on the Internet at: [http://www.ncruralcenter.org/databank/region\\_maps2010.pdf](http://www.ncruralcenter.org/databank/region_maps2010.pdf).

**Funding Amounts Available in Tier 1 and Tier 2 Counties**

In Tier 1 and Tier 2 counties, the maximum grant award available is \$480,000 per project. The majority of businesses will qualify for up to \$8,000 per job committed, while projects supporting companies with certain NAICS/SIC codes may be eligible for up to \$12,000 per job committed. Please see Table 1 for a listing of business types eligible for up to \$12,000 per job. Priority will be given to projects that commit a higher number of jobs than is required to receive a specific award amount.

	<b>NAICS</b>	<b>SIC</b>
Manufacturing- Processing	31-33	2011-3999
Warehousing	493	4221-4226
Wholesale Trade (Distribution)	42	5012-5199
Courier Services	492110	4513
Central Administrative Office	551114	Aux. Code 1 (6 & 7)
Electronic Mail Order	454110	4541
Data Processing		7371-7379
Computer Systems Design & Related Services	54151	
Software Publishers	511210	
Software Reproducing	334611	
Data Processing Services	514210	
On-Line Info Services	514191	

### Funding Amounts Available in Tier 3 Counties

The maximum grant available in Tier 3 counties is up to \$8,000 per job committed, with a maximum award of \$240,000. Priority will be given to projects that commit a higher number of jobs than is required to receive a specific award amount.

### Eligible Projects and Expenses

- Grants are available to support the renovation of a vacant building for reuse by one or more job-creating, private businesses.
- Grants will support only renovation costs. Eligible activities include building renovation, rehabilitation, and/or brownfield remediation.
- Funds will not be granted for acquisition, equipment, furniture, staffing, etc.
- Buildings proposed for funding must be **vacant** for at least three months prior to application deadline. Partially occupied buildings **will not** be considered for funding. Buildings built on **speculation** (spec. buildings) that have never been inhabited are **not eligible**.
- A property owner and/or tenant may **not** be personally compensated from the Rural Center grant for any portion of the renovation project unless that property owner or tenant holds a valid North Carolina Commercial General Contractor's license. A copy of that license must be provided with the application.
- Mixed-use or adaptive reuse projects that include housing may be eligible, provided the building will be occupied by at least one private business committed to creating new jobs. The expenses associated with the renovation of residential areas of the building are **not** eligible for grant funding and may not be calculated as contributing to the required match.
- Buildings proposed for reuse for government or civic purposes (municipal buildings, community centers, schools, etc.) may be eligible, provided the building will be occupied by at least one private business committed to creating new jobs. The renovation expenses associated with municipal areas of the building are **not** eligible for grant funding and may not be calculated as contributing to the required match.
- The renovation project must begin within six months of the grant award and should be completed within 18 months.

### Match Requirements

- The program requires a cash match equal to the grant request amount.
- Costs ineligible for grant funding cannot be counted toward the match.
- The local government applicant must contribute 3% of the grant amount in cash or in-kind grant administration.
- The combined total of a Building Reuse grant and other state or federal grants may total no more than 50 percent of the proposed eligible renovation project. Please contact program staff directly for specific guidelines.

### Job Creation Requirements

- Applicants must show that the redevelopment will result in the creation of new, full-time jobs in the private sector within 18 months of the grant award.
- The business must pay North Carolina Unemployment Insurance on each employee for whom a job is committed in the grant application. Contract or temporary jobs are not eligible.
- Each job must be filled with one employee working at least 35 hours per week. Part-time jobs cannot be combined.
- Each employee, for whom a job is committed, must be paid at least minimum wage by the employer. Tips, commission, bonuses cannot be combined with employee pay to bring the pay up to minimum wage.

- Priority will be given projects that offer higher salaries/wages and provide benefits to employees.
- The jobs committed must be maintained by the business for at least six consecutive months in order to meet the terms of the loan performance agreement.

### **Loan Requirements**

- Funds are granted to the local government applicant.
- **The government will lend the funds to the property owner in the form of a deferred, forgivable loan.**
- **The loan will be secured with a loan performance agreement and promissory note signed by the property owner.**
- Upon completion of the job creation requirements and verification by the Rural Center, the loan will be forgiven.
- If job creation goals are not met, a pro rata share of loan funds must be repaid by the property owner through a "claw back" provision in the loan agreement. Sample Loan Performance Agreement and Promissory Note can be found at [www.ncruralcenter.org](http://www.ncruralcenter.org).

### **Local Government Requirements**

- The local government will act as an intermediary partner for all aspects of the project, including the application process, reporting requirements, payments, job verification, and loan repayment, if applicable.
- The local government is required to analyze the participating company's financial and organizational strength in regard to the company's ability to successfully meet the terms of the job creation and maintenance requirements, carry out the renovation project, as well as, the ability to meet the potential for repayment of loan funds.
- The local government must contribute 3% of the grant amount in cash or in-kind grant administration.
- In the event the company defaults on the job commitment, the local government is required to call in the loan for repayment to the Rural Center.
- The local government will not be required to repay the funds from government funds, but will be required to take any means necessary, including litigation, if required, to recoup the funds from the company.
- Local governments receiving funds under this grant program will be expected to comply at a minimum with state regulations regarding procurement, including G.S 14-234.
- Recipients will be subject to state audit and reporting requirements.

# Application Requirements and Instructions

**Proposal Submission.** Applicants should include one bound and tabbed original proposal along with two tabbed, non bound copies. Use the application checklist below to complete the application and provide the required supporting materials. Applications are due at the Rural Center by 5:00 p.m. on the deadline date. Incomplete applications will not be reviewed.

## Tab 1

- ❑ **Building Reuse and Restoration Development Grant Application (enclosed).** Applicants must complete the full application form. The unit of government's chief elected official **must** sign the application form.
- ❑ **Proposal Narrative**
  1. **Reuse Project Description.** Applicants should briefly describe the proposed project.
  2. **Building Description.** Applicants should describe the building proposed for renovation. The description should include:
    - The building's significance within the community and previous uses
    - The buildings general and environmental condition, and compliance with zoning policy
    - Current value and estimated value after renovations
    - Explanation of current and future ownership of the building and the relationship of the parties involved.
  3. **Company and Job Description.** Applicants should describe the businesses that will locate in the building and the jobs that will be created. Detailed information should include:
    - Name of organization and type of business
    - Total number of existing employees at the time of application and the number of new jobs that will be created.
    - A detailed job type matrix table that includes the following: 1). position title, 2). number of jobs committed in each position category, 3). expected number of hours per week, 4). annual pay for each position type, and 5). any benefits that will be paid by the employer. The annual pay for each position type should be multiplied by the number of jobs to be created in that position type. The annual pay for all positions should be added together (to get total payroll) and divided by total number of jobs committed (to get the average annual pay for all new employees). The average pay should be an exact figure, not a pay range and should match the average annual pay listed on the application form.
  4. **Description of the Renovation project.** Applicants should provide a narrative overview of the renovation project that includes:
    - The main tasks to be completed and a description of the organization that will manage the renovation activities
    - A timeline for construction and business occupancy

## Tab 2

- ❑ **Job Commitment Letters.** Applicants should provide a signed letter of job commitment from each business that will locate in the building. The letters should include the number of existing employees at the time of application (baseline) and the number of new jobs to be created within 18 months of grant award. The letter must be printed on company letterhead and executed by the company CEO/CFO.
- ❑ **North Carolina Unemployment Insurance 101 Form(s).** For projects that include existing North Carolina companies, applicants must provide a copy of the North Carolina Unemployment

Insurance Form 101 filed with the North Carolina Employment Security Commission for the quarter ending closest to the application deadline.

### **Tab 3**

- ❑ **Funding Commitment Letters.** Applicants must provide a signed letter of funding commitment from each source of funds contributing to the project. **If personal or business capital is pledged, the applicant must include a letter from the institution where the funds are held attesting to an available balance necessary to support the commitment. If loan funds are pledged, a loan commitment letter from each loan source must be included.** If grant funds are pledged, a copy of the funding commitment letter from the granting source must be included. The total funding commitments from all sources must meet or exceed the total project cost.
  
- ❑ **Local Government Letter of Commitment.** The local government must provide a letter of commitment signed by the chief elected official. The letter must state the purpose of the project, indicate the local government's support for the project, and commit to provide 3 percent of the grant request as in-kind services or cash into the project.

### **Tab 4**

- ❑ **Line Item Budget.** The applicant should provide a line item budget listing each major construction category with the cost and source of funds for each item.
  
- ❑ **Detailed Cost Estimates.** The applicant should provide legitimate cost estimates for each item identified in the project budget. The estimates must be prepared by a licensed contractor, sub-contractor or architect and provided on company letterhead. A property owner and/or tenant may **not** be personally compensated from the Rural Center grant for any portion of the renovation project unless that property owner or tenant holds a valid North Carolina Commercial General Contractor's license. If any portion of the renovation project is to be completed by the property owner or a tenant business, a copy of the property owner or tenant's North Carolina Commercial General Contractor's License must be included with the application.

### **Tab 5**

- ❑ **Site Control Documents.** Applicants should provide a copy of the property deed, or executed lease agreement as evidence that the job creating entity has control of the project building. If the property closing or lease execution has not occurred prior to the application submission, the applicant will have two weeks from the application deadline to deliver the appropriate deed/lease to the Rural Center. If the site control document is not received, the application will not be reviewed.
  
- ❑ **Building Assessments.** Applicants should attach the following building assessments.
  1. **Statement of Tax Value.** Attach a copy of the most recent value statement that reflects the tax value of the property.
  2. **Environmental Assessment.** Applicants should provide evidence that the property has been inspected for the presence of environmental hazards. Minimum evidence should include a Phase I environmental assessment. Attach a copy of the **executive summary, recommendations and consultant's seal. Do not include the full environmental assessment.**

### **Tab 6**

- ❑ **Photographs.** Applicants should provide photographs of both the interior and exterior of the building. Include digital copies on CD along with printed copies.
  
- ❑ **Project Contacts.** Applicants should attach a list of all members of the development team and their contact information including local government contact, developer, building owner, business owner, and project manager, as applicable.

**BUILDING REUSE AND RESTORATION PROGRAM  
2010-2011 GRANT APPLICATION**



**APPLICANT INFORMATION**

**Legal Name of Local Government Applicant:** Town of Indian Trail County: Union

Name and title of chief elected official: Kelly Barnhardt

Mailing address: PO Box 2430 Street address: 100 Navajo Trail

City: Indian Trail State: NC Zip: 28079

Telephone: 704-821-8114 Fax: 704-821-3689 E-Mail: kbarnhardt@admin.indiantrail.org

**Local Government Contact Name and Title:** Kelly Barnhardt / Economic Development Coordinator

Mailing address: PO Box 2430

Telephone Number: 704-821-8114 E-mail: kbarnhardt@admin.indiantrail.org

County tier designation: 3 County unemployment rate: 9.2%

Job losses in the county during the past 24 months: \_\_\_\_\_

County poverty rate: 8.6% Population of applicant jurisdiction: 33,518

**PROJECT INFORMATION**

Grant amount requested: \$ 80,000 Project title: Project Roll

Number of businesses to be assisted: 1 (WM Goodyear Co.) Number of jobs to be created: 10

**BUSINESS INFORMATION**

Complete the table below for each company that has committed to create new, full-time jobs in the building.

<u>Company Name</u>	<u>Name of Authorized Representative</u>	<u>Telephone Number/E-mail</u>	<u># of Years in Business in NC</u>	<u>Federal Identification Number</u>	<u>NAICS CODE</u>	<u>Benefits Provided Y/N</u>	<u># of Existing Employees</u>	<u># of New Jobs Committed</u>	<u>Average Annual Pay of All New Jobs Committed</u>
WM Goodyear Co.	Bill Goodyear	704-283-7824; bgoodyear@wmgoodyear.com	25	William Goodyear Properties LLC (56-2173051)	326220	Yes	21	10	Approx. \$44,000 annually. Based on historical payroll.

Has the owner, tenant, or building ever benefited from a Rural Center Grant?  Yes  No

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If yes, please explain:

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Legal name of the property owner: **Farmers & Merchant Bank**

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Legal name of authorized representative who will sign the Loan Performance Agreement and Promissory Note on behalf of the property owner: **Dan Williams**

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Property owner address: **221 N Main St** Telephone: **704-633-1772** E-Mail: **dwilliams@fmbnc.com**

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Address of project building: **1723 Town Industrail Drive, Monroe, NC 28110**

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Year building was constructed: **1993** Length of vacancy: **2 years (per broker)**

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Square footage of building: **27,040** Is the building within municipal limits:  Yes  No

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Value of the property: \$ **1,629,400** Approximate value of property after renovation: \$ **2,029,400**

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#### **BUDGET INFORMATION**

Total project cost  
(Includes property acquisition, construction, equipment, administration, etc.): \$ **1,000,000**

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Cost of the renovation project: \$ **400,000**

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Anticipated public investment: \$ **80,000** Anticipated private investment: \$

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Indicate the source, amount, proposed use, status, and date of availability for each funding source anticipated to fund the entire project.

Source	Amount	Proposed Use	Proposed or Committed	Date Available
<b>WM Goodyear</b>	<b>\$ 320,000</b>	<b>Repair roof; Install fire sprinklers; repair existing dock doors; Misc. Electrical and plumbing; pavement of gravel driveway</b>	<b>Yes</b>	
	<b>\$ 9,000</b>	<b>In-kind grant writing and administration</b>	<b>Yes</b>	
	\$			
	\$			
	\$			
	\$			
	\$			
Rural Center Building Reuse	<b>\$ 80,000</b>		Proposed	
Total	<b>\$ 409,000</b>			

## CERTIFICATION BY CHIEF ELECTED OFFICIAL

The attached statements and exhibits are hereby made part of this application, and the undersigned representative of the applicant certifies that the information in this application and the attached statements and exhibits is true, correct, and complete to the best of his/her knowledge and belief. He/She further certifies:

1. as Authorized Representative, he/she has been authorized to file this application by formal action of the governing body;
2. that the governing body agrees that if a grant from the Building Reuse and Restoration Grants Program as funded by the General Assembly through the North Carolina Economic Infrastructure Fund, the applicant will provide proper and timely submittal of all documentation requested by the Grantor Agency (Rural Center);
3. that the applicant has substantially complied with or will comply with all federal, state, and local laws, rules, regulations, and ordinances as applicable to this project;
4. that the applicant has analyzed the participating companys' financial and organizational strength in regard to the to the ability to successfully meet the terms of the job creation and maintenance requirements, carry out the renovation project, as well as, the ability to meet the potential for repayment of loan funds; and
5. that the project is in accordance with the applicant's economic development plan and that the applicant has investigated any impact that the project may have on existing businesses within the applicant's jurisdiction.

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Signature of Chief Elected Official

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Printed Name and Title

Date

### APPLICATION DEADLINE

Applications are accepted according to the deadlines listed below. Full applications must be received at the Rural Center by 5:00 p.m. on the deadline date.

<b>Deadline for Full Grant Application</b>	<b>Date of Award</b>
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September 3, 2010	November 4, 2010
December 13, 2010	February 22, 2011
February 28, 2011	April 27, 2011
May 2, 2011	June 29, 2011
June 27, 2011	August 31, 2011

**All grant materials should be submitted to:  
Building Reuse and Restoration Grants Program,  
North Carolina Rural Economic Development Center,  
4021 Carya Drive, Raleigh, NC 27610, Attn: Melody Adams.**