

MINUTES
Central City Revitalization and Housing Committee Meeting
July 29, 2013, 1:30 p.m.
Council Conference Room – 2nd Floor City Hall

The Central City Revitalization and Housing Committee met on Monday, July 29, 2013, at 1:30 p.m., 2nd Floor, City Council Conference Room, City Hall.

Committee Members in Attendance: Chairman Todd Pierceall
Councilman Walter Kimble
Mayor Pro Tem Brenda Craig

Guests in Attendance: Mr. Nathan Kirby, Developer
Mr. Walter Israel, Gaston County Travel & Tourism
Mr. Bill Owen, Gastonia Conference Center

Staff in Attendance: Mr. Ed Munn, City Manager
Mr. Ash Smith, City Attorney
Ms. Melissa Magee, Assistant City Attorney
Ms. Rachel Bagley, Managing Executive
Mr. Jack Kiser, Senior Executive
Ms. Myra Messer, Housing & Neighborhoods Administrator
Mr. Flip Bombardier, Assistant City Manager

Chairman Todd Pierceall welcomed everyone and called the meeting to order. Since Mr. Nathan Kirby had not yet arrived, Chairman Pierceall proceeded with Item 2.

ITEM 2: Beaverbrook Apartments (Highland Hills) Status Report:

Chairman Pierceall recognized Mr. Ed Munn, City Manager, and Ms. Myra Messer, Housing & Neighborhoods Administrator for staff's presentation. Mr. Munn advised the Committee that ALS Developments of NC, LLC, is no longer associated with Mr. Joe Grant and Mr. Charles Washington, with whom the City had dealt with earlier. ALS has expressed their commitment to the redevelopment of Beaverbrook Apartments and has requested a meeting in August to discuss plans to move forward with the Beaverbrook Apartment project. The Gastonia Housing Authority has hired a consultant to review their properties to determine their level of participation. A report should be available in August or September as to their findings. A meeting with both entities can possibly be scheduled in August or September.

Ms. Messer advised the Committee that recently, two meetings were held regarding the Housing Assistance Policy and the proposed Beaverbrook redevelopment.

On July 8, the Community Development Citizens Advisory Board held a Public Hearing to discuss the City's Housing Assistance Policy. Staff explained the policies and reviewed the proposed changes to housing assistance. The current policy disallows the concentration of subsidized/assisted "family" housing units in already saturated areas. The policy was written to limit developments of 50 or more family units at one location, which would promote community revitalization and increase housing choices for families. The Citizens Advisory Board voted unanimously not to recommend any changes to the current Housing Assistance Policy or to recommend an exception for the Beaverbrook Apartment Development.

On June 23rd, staff met with the Highland/Weldon Heights Community Watch to discuss the Housing Assistance Policy and the proposed Beaverbrook (Highland Hills) redevelopment. The consensus of the Community Watch group was not to change the current policy and to limit the reconstruction to only 132 units, which is the current size of the development.

Committee Recommendation: A motion was made to table this item until the Committee meeting scheduled in September. The Committee voted unanimously (3-0) to accept this motion.

Necessary Council Action: No action is required by Council at this time.

ITEM 1: Request for Economic Development Grant for the Rehabilitation of the Lawyers Building:

Chairman Pierceall recognized Mr. Nathan Kirby, Developer and owner of the Lawyers Building, for his presentation. Mr. Kirby stated that he and other investors are proposing to redevelop the building, which would include a restaurant on the ground floor and approximately 35 hotel rooms for the remaining five floors. Other additions to the building include installing a new elevator, opening and completing the patio area on the west side of the building, and building a surface parking facility on the east side. In order to fund the project, Mr. Kirby requested the City provide an economic development grant annually for a ten-year period of \$61,462 as well as a grant equal to net new ad valorem taxes for ten years. The projected revenues to the City annually are \$51,592, not counting the increase to property tax. If the projections concerning the increase in tax value are correct, the grant would increase by \$19,345 annually. The actual increase to the City's tax valuation will not be known until the building is appraised by the County when the project is finished. Mr. Kirby stated the estimated tax value will increase by \$2,650,000. The overall revenue projections are based on 55% occupancy rate and \$85/night per room. Mr. Bill Owen, Gastonia Conference Center, stated that having a hotel located within walking distance of the Conference Center would have a positive impact on conference center bookings. Mr. Walt Israel, Gaston County Travel and Tourism, stated that even though there are hotels in the area, there still is a need for hotels in Gastonia. Mr. Kirby advised he has requested a grant equal to \$31,920 from the County per year for ten years. Mr. Kirby will seek local designation for the Lawyers Building to be eligible for the National Trust for Historic Preservation. – Historic Hotels of America. If funding from the City and County is approved, construction would begin in September of 2013. Mr. Kirby addressed questions regarding the ownership structure and the business plan relating to the Lawyers Building. After much discussion by the Committee, a motion was made to move forward with the Lawyers Building project as presented by Mr. Kirby to include Council/staff-mandated benchmarks to be met prior to funds being paid and conditional on significant County participation.

Committee Recommendation: The Committee voted unanimously (3-0) to approve the motion to move forward with the Lawyers Building project as presented with Council and staff mandated benchmarks to be met prior to funds being paid and conditional on significant County participation.

Necessary Council Action: Approve or reject the Committee's recommendation.

ITEM 3: Other Related Matters:

Having no other matters to discuss, the meeting was adjourned at 3:10 p.m.