

### Update on Proposals to Redevelop former NE Commission Building:

Below is a summary report prepared on September 25, 2015 for the Edenton Town Council Committee discussion that took place on September 27<sup>th</sup>.

#### Administrative Committee/Review of Proposed Redevelopment of Former N. E. Commission Building:

Following up from your last Committee Meeting, we have gathered the additional information you requested. We suggest you consider these bullet points to keep the discussion focused and on point:

- a. Review of Waterfront Development Plan
- b. Review of Report from Town Attorney Hood Ellis on grant documents and review of public record;
- c. Review of report from Small Business Technology & Development Center:
- d. Review of Tax Credits
- e. Review of Economic Impact Analysis Reports
- f. Review of Proposed Lease vs Sale Option
- g. Review of Mayor's Sailing/Kayaking/SUP Committee
- h. Determine date for public hearing

Below is discussion/update for each of the above bullet points.

a. Review of Waterfront Development Plan: Councilman Biggs asked me to present a brief overview of the Town Council's 1999 Waterfront Development Plan.

b. Review of Report from Town Attorney Hood Ellis on grant documents and review of public record Enclosed in the packet please find copies of the report from Town Attorney Hood Ellis regarding his review of the public record and grant documentation pertaining to the building. As we reported to you last week when we transmitted Hood's report there are no covenants or restrictions of record that would encumber the Town's ability to determine the highest and best use of the building and the boundary delineated with the 1979 grant map. The map is the site plan that delineates the boundary of the project assisted with the grant funds. The boundary of the project becomes known as the "6F boundary". Excluded from the 6F boundary map is the Conger Building and the land around it more than what we originally believed to be excluded. Please refer to the color map enclosed. In reviewing this report it is clear to me the Town has honored the terms of this 6F boundary and the grant.

c. Review of report from Small Business Technology & Development Center

Enclosed please find a review of the business proposals conducted by the Small Business Technology & Development Center. I was impressed with this review. I have struggled to understand how a \$2.2 Million hard cost investment with \$1.8M in soft costs (tax credits, developer's fee etc) could be

profitable. The SBTDC summarizes the proposed structure of David Allarid's proposal in a way that I can understand it. Also, the SBTDC recognizes the future growth potential from the brewery – and suggests maybe the two proposals could marry up!

d. Review of Tax Credits

You will note that that the SBTDC suggested a vetting of the proposed tax credits. They were not familiar with the tax credits and therefore did not want to comment on the viability of the tax credits. Please see attached summary that I have prepared regarding the tax credits proposed.

e. Review of Economic Impact Analysis Reports

We received the economic impact analysis for the two projects provided to ElectriCities through consultant Chrystal Morphis, with Creative Economic Development Consulting. Chrystal's firm has subscription access to the IMPLAN model. We learned about this model from a white paper published by the UNC School of Government. This model develops a local level input/output model to estimate the economic impact of new businesses. The model is based on the data inputs. The economic impact of each investment is calculated using the data input and local economic indicators such as sales tax, and payroll. This is a great tool that I am going to share with Frank Miglorie with the Edenton Chowan Partnership for future use.

f. Review of Proposed Lease vs Sale Option

We previously provided you information from the appraisal which identified a market lease rate for the building as is was \$6.30 per square foot. Utilizing the first floor there is approximately 4,758 square feet not including the sail loft building. This lease rate would generate \$29,975 per year in lease payments. If the recommendation is to lease the building, we would need to advise the developers and see if they are interested in modifying their proposals.

g. Review of Mayor's Sailing/Kayaking/SUP Committee

I mentioned several weeks ago in management report Mayor was considering appointing a small group of people to work with staff, me and Shannon Ray the County Recreation Director to development plans to improve and enhance the sailing, kayaking and stand up paddle boarding headquartered at the waterfront park. The Mayor wants Councilman Dixon to consider serving as the Council liaison. Mayor will update you the goals of the committee and timeframe for a report. . We received notice from the NC Parks and Recreation Trust Fund about a January 2016 grant application cycle so if recommendations were from this to be formed committee were to include improvements in facilities the PARTF grant cycle might coincide well with the committee's recommended plan of action.

h. Determine date for public hearing: Please be reminded that your meeting schedule does not have you conducting your regular meeting on Tuesday, October 13th. A public hearing could be conducted at a Special Meeting on October 26th or you could set a special meeting date for this hearing.