



## APPLICATION FOR BUILDING IMPROVEMENT GRANT

### GRANT APPLICATION INCLUDING ATTACHMENTS MUST BE COMPLETED AND RETURNED TO:

The Office of Economic and Workforce Development (OEWD) located at  
**302 East Pettigrew Street, Suite 190, Durham, North Carolina 27701**

Applications will be accepted by in-person or mail only and will not be accepted by fax or email

**Note: Prior to applying for these funds, applicants must check with the City-County Planning Department to ensure the location for their proposed project is zoned appropriately.**

<b>SECTION 1:</b>	
<b>PROJECT LOCATION</b>	<b>ATTACHMENTS</b>
<p>Proposed projects must be within the Downtown Development Tier (including Parrish Street), within the Community Development Area (CDA) outside the Downtown Development Tier, including targeted corridors or within targeted areas in the Urban Growth Area (UGA).</p> <p><i>Note: To determine whether a project is within an eligible geographic location, use the mapping tool located on the Financial Services page of the OEWD website or, see "Durham Community Development Area, Targeted CDA Corridors, the Downtown Development Tier and the Parrish Street Project Area" Map and maps depicting targeted areas of UGA on the OEWD website under the Financial Services tab.</i></p>	<ul style="list-style-type: none"> <li>• Attach project area map showing location and PIN number of the parcel on which the project is located. Visit <a href="http://www.ustaxdata.com/nc/durham/durhamtaxsearch.cfm">http://www.ustaxdata.com/nc/durham/durhamtaxsearch.cfm</a> to determine PIN</li> </ul>
<b>BUSINESS REQUIREMENTS</b>	<b>ATTACHMENTS</b>
<p>Business entity that owns the building at time of application and directly creates capital investment improvements on an existing building having vacant spaces for the purpose of improving and/or upgrading the interior and exterior, to make the first floor more rentable or "retail/restaurant-ready."</p> <ul style="list-style-type: none"> <li>• Eligible improvements include but are not limited to window replacement, installation of walls, painting, installation of support mechanisms, installation of sound systems, HVAC, electrical systems, plumbing, stairs, demolition, flooring, grease traps and sprinkler systems.</li> </ul>	<ul style="list-style-type: none"> <li>• Attach source(s) of financing beyond potential public funds, to include documented letters of financial commitment from investors or banks.</li> <li>• Attach Development plan for applicant including sources and uses document, balance sheet and operating budget. See Appendix A on page 7 for greater explanation about financial information to include.</li> <li>• Attach current Durham Business Privilege License. License is not required at the time of application, but will be required if awarded funding.</li> <li>• Attach a statement of support by the Partners Against Crime (PAC) community organization in the area saying that your project is of the type desired by the neighborhood (Optional). Statement is not required at the time of application, but will be required if awarded</li> </ul>



**City of Durham Office of Economic and Workforce Development**  
 Application for Economic Development Incentives  
*Building Improvement Grant*

<p>The project must be private, non-residential within the following parameters:</p> <ul style="list-style-type: none"> <li>• If the project is within the Community Development Area outside the Downtown Development Tier, the minimum total project capital investment must be at least \$187,500</li> <li>• If the project is within the Downtown Development Tier, the minimum total project capital investment must be at least \$225,000</li> <li>• If the project is within a Targeted Portion of the Urban Growth Area, the minimum total project capital investment must be at least \$300,000</li> </ul> <p>The Building Improvement Grant maximum award will be \$75,000.00.</p> <p><b>Note:</b> Only funds spent on work performed after City approval of the grant are eligible to be reimbursed. Funds will be disbursed by cost reimbursement upon completion of project and submission of appropriate documentation proving compliance with relevant compliance guidelines.</p>	<p>funding.</p> <p>To contact your local PAC visit <a href="http://www.durhampolice.com/pac/">http://www.durhampolice.com/pac/</a></p>
<p><b>PROGRAM ELIGIBILITY</b></p>	<p><b>ATTACHMENTS</b></p>
<p>The eligibility for public incentive payment and the amount of payment would be based upon the likelihood of success of the project and the need for public funds; as determined by a competitive scoring process based upon submitted proposals.</p>	<ul style="list-style-type: none"> <li>• Attach quote from contractor or architect for total cost of project with design drawings</li> </ul>
<p><b>TIMELINES/DISBURSEMENT OF FUNDS</b></p>	
<p>Projects would need to start within 9 months of City approval and be completed no later than 12 months after City approval.</p>	
<p><b>FUNDING GUIDELINES</b></p>	
<ul style="list-style-type: none"> <li>• OEWD will review select evaluation criteria including viability of project and need for public funds. Funding requests of \$50,000 or greater will be subject to City Council approval. All efforts will be made to evaluate and determine funding requests less than \$50,000 within 45 days of the submission deadline.</li> </ul>	

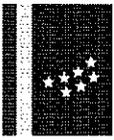


<b>SECTION 2</b>			
The following sections of the application are to be completed by the <u>APPLICANT</u> . Complete within the form, as the space will expand as more information is added.			
<b>APPLICANT INFORMATION</b>			
<b>Applicant Name</b>	Empire Alliance, LLC	<b>Street Address</b>	204 Rigsbee Ave.
		<b>Mailing address</b>	PO Box 1090
<b>Name of Business that Owns Property</b>	Empire Alliance, LLC	<b>City /State/Zip</b>	Durham, NC 27702
<b>Contact Person</b>	John Warasila, AIA		
<b>Title</b>	Partner	<b>Phone Ext</b>	919-682-6393
<b>Email Address</b>	<a href="mailto:johnwarasila@alliancearchitecture.com">johnwarasila@alliancearchitecture.com</a>	<b>Company website</b>	<a href="http://www.empire1792.com">www.empire1792.com</a> or <a href="http://www.alliancearchitecture.com">www.alliancearchitecture.com</a>
<b>Fax</b>	919-682-9665	<b>Alt Phone</b>	
<b># of years in business</b>	15		
<b>Tax Status of Business (check all that apply)</b>	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Corporation (Designation) <input checked="" type="checkbox"/> Partnership	<b>Legal Status of Business:</b>	<input checked="" type="checkbox"/> For Profit <input type="checkbox"/> Not-for-profit (Designation) <input type="checkbox"/> Other _____
<b>How long has the applicant owned the property?</b>	Since 2006	<b>Is the property currently vacant?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Level of experience applicant or development partner has developing comparable projects successfully</b>	Empire Properties has successfully developed dozens of comparable properties in downtown Raleigh. John Warasila has redeveloped several successful projects in this particular area including one of the other jointly-owned properties on this block (322 E. Chapel Hill St.). The teams development projects in Durham include: <ul style="list-style-type: none"> <li>• 204 Rigsbee Avenue</li> <li>• 208 Rigsbee Avenue</li> <li>• 405 East Chapel Hill Avenue</li> <li>• 322 East Chapel Hill Avenue</li> </ul>		
<b>Has a tenant or lease agreement been secured by the building owner</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		



<b>SECTION 3</b>			
<b>FINANCIAL NEED</b>			
<b>Provide the total project capital investment (must be private, non-residential capital investment of at least \$187,500)</b>	<b>\$986,500</b>		
<b>Amount of public funds requested</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$75,000</b>
<b>Statement explaining need for public funds</b>	<p>The nature of historic redevelopment is such that the costs typically are higher and more difficult to predict than with other projects. Support from public funds will do a great deal to accelerate the development of this project.</p> <p>We have had extensive discussions with our bank, Harrington, regarding finding a means of starting this project. We are in the midst of a classic "chicken and egg"; the bank will not approve financing until we have a lease, tenants will not commit until we have a building that looks like it is ready to be occupied. The need for public sector funding stems from this dilemma.</p> <p>Harrington Bank will recognize the grant as investment by our team which coupled with value of the building, a lease, and additional investment by the partnership will be sufficient to trigger the start of this project.</p>		
<b>Provide a financial analysis that supports the viability of the project, including details explaining how the project will be funded completely (i.e. bank loan, private equity, city incentive, etc.)</b>	<p>Project will be funded by:</p> <ul style="list-style-type: none"> <li>• 25% equity</li> <li>• \$75,000 grant (public funds)</li> <li>• Remaining from an existing LOC debt facility with Harrington Bank</li> </ul>		

<b>SECTION 4</b>			
<b>OVERVIEW OF PROJECT</b>			
<b>Physical address of proposed project</b>	320 E. Chapel Hill St., Durham, NC 27701	<b>Parcel PIN # of proposed project. Visit <a href="http://www.ustaxdata.com/nc/durham/durhamtaxsearch.cfm">http://www.ustaxdata.com/nc/durham/durhamtaxsearch.cfm</a> to determine PIN</b>	0821-08-97-4723
<b>Is the property located on a public transportation route?</b> To view routes, visit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Is the property designated as historic property or within a historic district?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



<p><a href="http://data.durhamnc.gov">http://data.durhamnc.gov</a> and select Schedules &amp; Maps on the menu</p>		<p>Visit The Durham City-County Planning Department to determine <a href="http://www.durhamnc.gov/departments/planning/pdf/hist_resources_map.pdf">http://www.durhamnc.gov/departments/planning/pdf/hist_resources_map.pdf</a></p>	
<p>Do you have a statement of support for the project from the local Partners Against Crime (PAC) Committee? To contact your local PAC visit <a href="http://www.durhampolice.com/pac/">http://www.durhampolice.com/pac/</a></p>	<p>Yes, our project was approved by PAC5 on Thursday, August 12, 2010. We are assuming that is still applicable for this submission.</p>		
<p>Estimated start date and completion date if grant is awarded</p>	<p>Start Date: 3/1/2011</p>		<p>Completion Date: 9/30/2011</p>

**SECTION 5 (Limit response to 500 words)**

**PROJECT DETAILS**

<p>1. Provide a brief description of the project, intended use of the development, square footage</p>	<p>320 E. Chapel Hill is a historic building built in 1923 and is located on the northern edge of the Parish Street neighborhood. It is approximately 12,000 SF, with a basement, ground, mezzanine and third floor. We envision fully renovating the building with a retail anchor on ground level with mezzanine space. The third floor is suitable for residential or commercial use. All new mechanical, electrical, plumbing, and elevator systems will be included.</p> <p>We have a very clear understanding of how the building will be renovated; and we will tailor our solution to our tenant's needs. We have attached a concept developed for Big Boss Brewing that illustrates what is possible, and the likely scope of work. This concept was priced and used as the basis for our financial analysis.</p>
<p>2. Is proposed project consistent with relevant design plans approved by City Council? If so please explain. Plans are Updated Downtown Durham Master Plan (Dec. 11, 2007), City Center Retail Strategy, RKG Neighborhood Assessment and Plan. To review plans visit <a href="http://www.ci.durham.nc.us/departments/eed/publications.cfm">http://www.ci.durham.nc.us/departments/eed/publications.cfm</a></p>	<p>Emphatically, yes:</p> <ul style="list-style-type: none"> <li>• The project is a City Center property at a key location within the city center.</li> <li>• It continues the work already put in place in this neighborhood, including Rue Cler, Viget Labs, Alliance Architecture, Rigsbee Hall, residences at The Eleanor, and CBI.</li> <li>• It is a historic property with long ties to the community.</li> <li>• This property has large storefront windows and a strong presence on the street.</li> <li>• This property envisions vibrant retail tenants on the ground floor.</li> <li>• Our team and vision have consistently delivered</li> </ul>



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	<p>top quality renovations in similar properties.</p>
<p><b>3. Describe sustainable measures which will be utilized in considering the environment during construction/deconstruction</b></p>	<ul style="list-style-type: none"> <li>• The project will use the existing structure of the building and will minimize deconstruction of this historic building.</li> <li>• We will salvage as much material as possible for reuse.</li> <li>• We will implement a recycling and waste management program for all materials and job site related debris.</li> <li>• We will use functional windows where possible.</li> <li>• We will reopen bricked in openings to allow more natural light and fresh air.</li> <li>• We will source locally salvaged materials where possible.</li> <li>• The project will promote the use of low and no VOC products.</li> <li>• We will use Energy Star appliances, low flow fixtures, and low wattage lighting.</li> <li>• The project will implement the use of energy code for lighting.</li> <li>• Much of the project can be lighted with natural daylight.</li> </ul>
<p><b>4. Describe any of the following items that may be provided (in kind only): Enhancement to parks, plazas, greenways, parking, street activity or accommodations for pedestrian amenities such as bike racks, transit shelters, etc.</b></p>	<p>Empire and Alliance have a reputation for successful downtown infill developments that improve and promote street-level activity. We encourage street level business development by locating restaurants and similar uses on the ground floor. This project and its sister building 322 East Chapel Street will work together to tie Orange Street to the post office at East Chapel Hill, and link to Parish Street. We will locate a hose bib on the ground floor to facilitate watering of plants at street level along Orange St. and East Chapel Hill.</p>

I certify to the City of Durham that ALL of the information contained in this application is true and correct to the best of my knowledge. I agree to supplement this application with such additional information as may be requested in order to provide the most accurate and complete picture of my company and the timing of the project for which I am seeking incentive funding. I acknowledge the requested incentives constitute a bonafide inducement for my company to undertake this project, without which inducements my company would be less likely to pursue this project.

John Warasila, AIA

Partner



Print Name **JOHN WARASILA**  
**JW**

Title **PARTNER**  
**11/7/10**

Signature

Date

FOR INTERNAL USE ONLY			
Project Location	<input type="checkbox"/> Downtown and/or <input checked="" type="checkbox"/> Parrish Street Project Area	OR	<input type="checkbox"/> In Targeted Section of Urban Growth Area <input type="checkbox"/> In Targeted CDA Corridor
Date Application Received:	11/9/2010	Date Application Complete:	
Reviewed By:		Date:	
Approved By:		Date:	

## Appendix A

The Building Improvement Grant Business Plan should be at least three pages describing points 1 thru 6 below:

1. **Outline company goals and the company's purpose, define its mission and explain what it intended use for the building.**
2. **Provide information regarding the company's proposed structure as well as the qualifications and backgrounds of its key people.**
3. Provide a comprehensive narrative statement that sets out the management plan they intend to follow and illustrates how their plan will serve to accomplish the work. Strongest consideration will be given to those proposals that can demonstrate how the intended project will remove blight, rehabilitate vacant and/or boarded buildings and stimulate the creation of new retail business development and job creation.

4. Elaborate on your project's financial position including detail on total expenses and revenues. Include annual rents, vacancy rates, and net cash flow for at least 1 year or longer if available.
5. ***Briefly discuss obstacles and risks to the business plainly in this section, and add potential strategies on how to overcome them.***
6. ***Narrative description of the proposed development, including potential tenants/users, type of development, square footage of development, and target markets to be approached***

***A Finance Plan lists the estimated cost of the actual startup and how those costs are going to be met. Your finance plan should also provide an estimation of the income and cash flow for the company for at least one year preferably three years. See explanation of components of a finance plan described below in greater detail.***

### **The Balance Sheet**

The balance sheet is generated solely on an annual basis for the business and is, more or less, a summary of all the preceding financial information broken down into three areas, Assets Liabilities and Equity.

### **Cash Flow/ Operating Statement**

It shows a schedule of the money coming into the business and expenses that need to be paid. The result is the profit or loss at the end of the month or year. It is a strong indicator to indicate if you will need additional cash in order to meet expenses. Provide detailed yearly cash flow projections for at least 1 year, 3 years are preferable.

### **Development/Capital Budget**

Development/Capital budget needs to take into account all the expenses required to renovate the building. Clearly state the capital needed to start the business or to expand. It should detail how the capital will be used, and the equity, if any, that will be provided for funding. If a bank loan is required please submit a firm conditional commitment outlining the terms and conditions, signed by the bank and you, as well as an estimated detailed development project schedule with a project timeline.