

Host

Randy Hemann

Panelists

Brian Borne

Ron Smith

Sally Sandy



**LET'S
MAKE
A
DEAL**



**Brian Borne
City Manager
City of Monroe**



Morgan-Windsor Alley

**LET'S
MAKE
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DEAL**



**Ron Smith
City Manager
City of Statesville**



Vance Hotel

**LET'S
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**Sally Sandy
City Manager
City of Morganton**



Fairfield Inn & Suites



CITY of MONROE: MORGAN-WINDSOR ALLEY

DOWNTOWN URBAN PLAZA PLAN



Let's Make a Deal!

NC Main Street Conference, March 14-16, 2023, Statesville, NC

CONCEPTUAL DESIGN

CITY of MONROE:
MORGAN-WINDSOR ALLEY
Downtown Urban Plaza Plan

Pedestrian Plaza Space – Main Street Entry



CONCEPTUAL DESIGN

CITY of MONROE:
MORGAN-WINDSOR ALLEY
Downtown Urban Plaza Plan

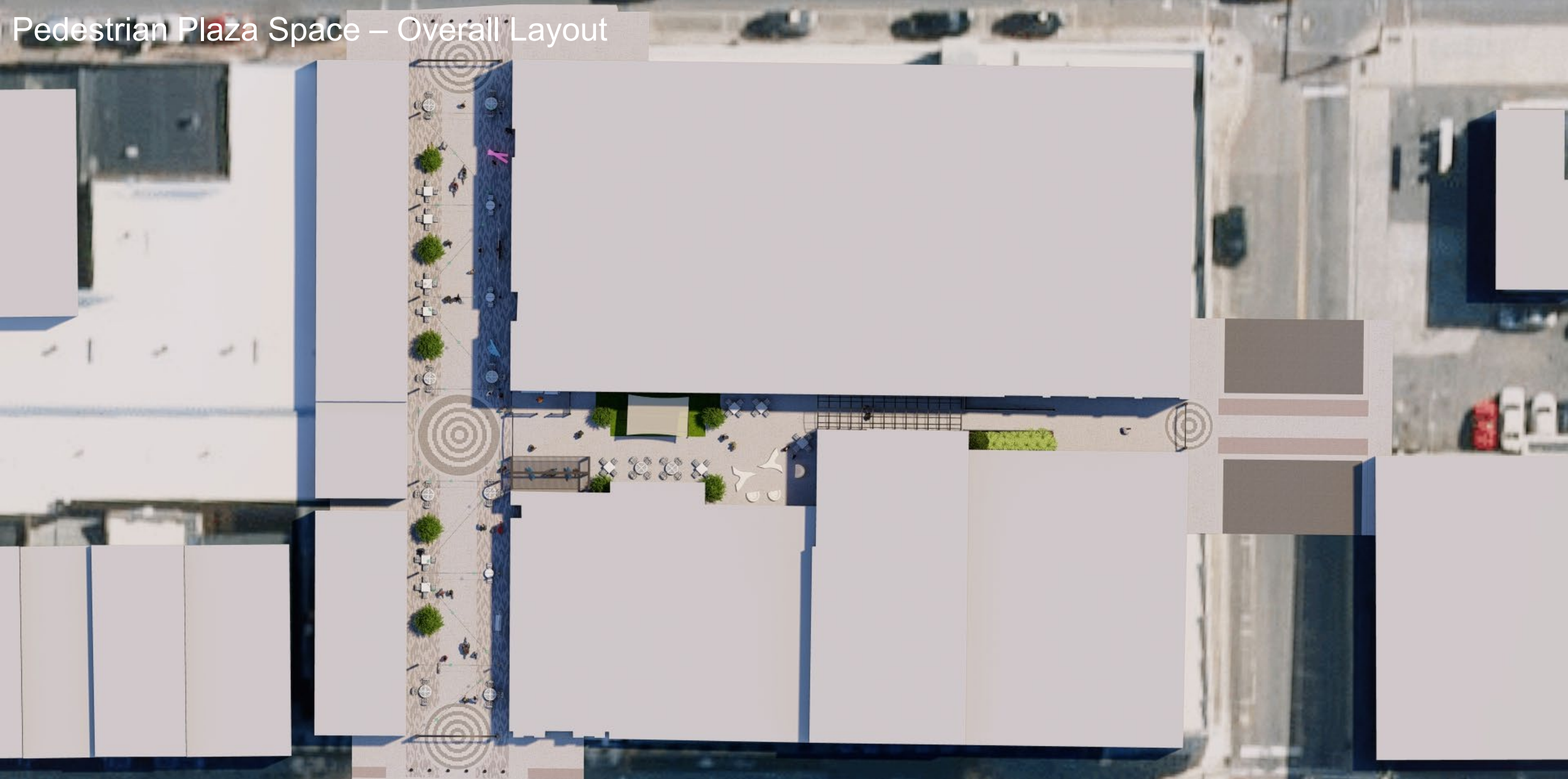
Pedestrian Plaza Space – Windsor Alley Entrance



CONCEPTUAL DESIGN

CITY of MONROE:
MORGAN-WINDSOR ALLEY
Downtown Urban Plaza Plan

Pedestrian Plaza Space – Overall Layout



PROCESS

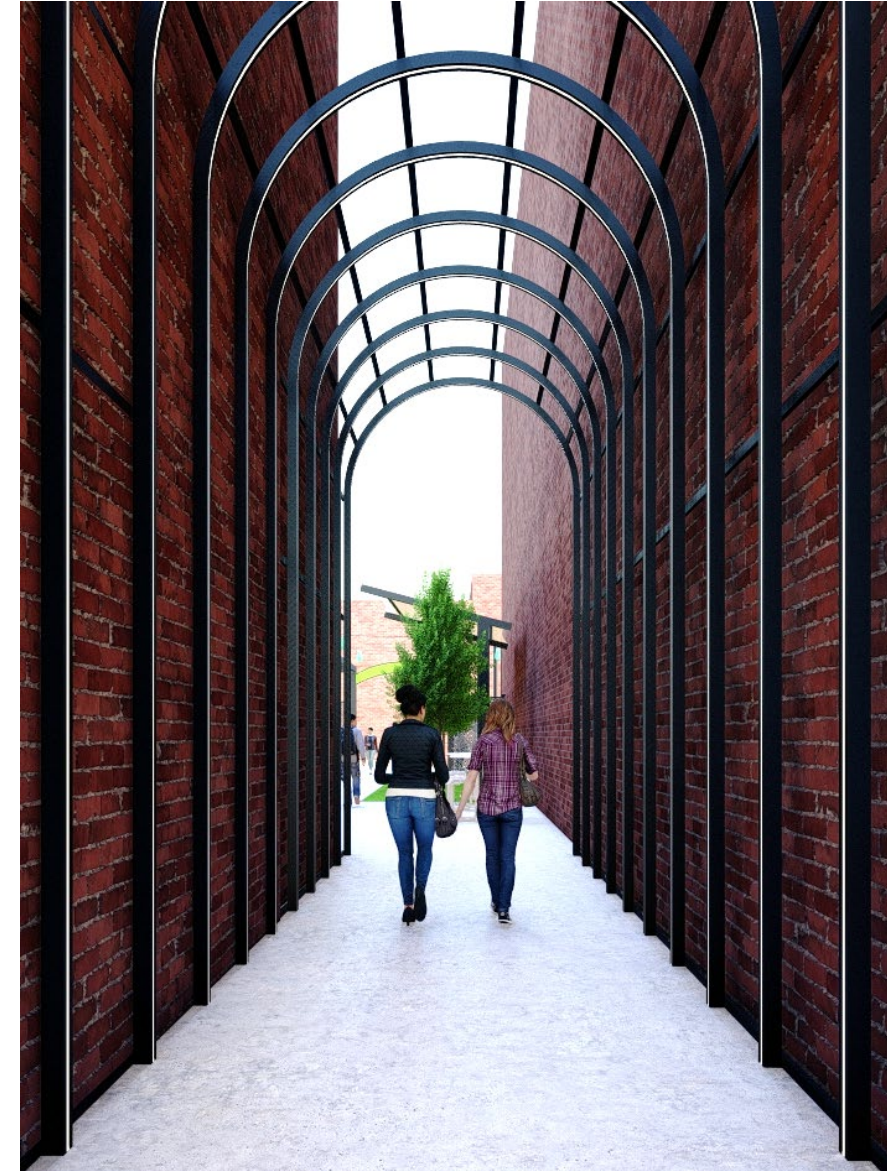
What have we accomplished | How did we get here?

- Kick-Off Meeting with City Staff
- Site Walk to Discuss Ideas + Vision
- Site Analysis – Opportunities + Constraints
- Survey
- Preliminary Program Alternatives
- Model Developed
- City Staff Input
- Revised Concept
- Public Input
- City Council Presentation/Approval

CONCEPTUAL DESIGN

CITY of MONROE:
MORGAN-WINDSOR ALLEY
Downtown Urban Plaza Plan

Pedestrian Plaza Space – Windsor Alley Progression from West Windsor Street



CONCEPTUAL DESIGN

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CONCEPTUAL DESIGN

CITY of MONROE:
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CONCEPTUAL DESIGN

CITY of MONROE:
MORGAN-WINDSOR ALLEY
Downtown Urban Plaza Plan

Pedestrian Plaza Space – Greening of the Space



CONCEPTUAL DESIGN

CITY of MONROE:
MORGAN-WINDSOR ALLEY
Downtown Urban Plaza Plan

Pedestrian Plaza Space – Must-See Artwork | “Instagram Moments”



CONCEPTUAL DESIGN

CITY of MONROE:
MORGAN-WINDSOR ALLEY
Downtown Urban Plaza Plan

Pedestrian Plaza Space – Plentiful + Varied Seating



CONCEPTUAL DESIGN

CITY of MONROE:
MORGAN-WINDSOR ALLEY
Downtown Urban Plaza Plan

Pedestrian Plaza Space – Interactive Fountain



CONCEPTUAL DESIGN

CITY of MONROE:
MORGAN-WINDSOR ALLEY
Downtown Urban Plaza Plan

Pedestrian Plaza Space – Nighttime Atmosphere



LESSONS ALONG THE WAY

Expect the unexpected.

- Property acquisition (14 years); time and money
- Conceptual vs. Reality
- Fire and Safety
- Today's market, budget impact
 - Materials (supply/demand)
 - Labor (shortage)
 - Inflation
- Infrastructure; utility upgrade, conflicts, etc.
- Adjacent properties

CONCEPTUAL DESIGN

CITY of MONROE:
MORGAN-WINDSOR ALLEY
Downtown Urban Plaza Plan

OVERALL LAYOUT – AREA PARKING



THE NEXT STEPS

A Detailed Schedule of the Project Step by Step

PROJECT SCHEDULE

Here are some of the project milestones:

- City Council Presentation (Today 10/12)
- 100% Construction Documents Completed (10/21)
- Bid Advertised (10/22)
- Bid Opening (11/23)
- Contract Negotiation (11/29-12/17)
- Notice to Proceed | Begin Construction (12/20)
(1/19/2023)
- Construction Period (12/20/2021 – 5/6/2022)
- Substantial Completion (4/22/2022) **(5/15/2023)**
- Final Completion (5/6/2022)

CONCEPTUAL DESIGN

CITY of MONROE:
MORGAN-WINDSOR ALLEY
Downtown Urban Plaza Plan

Questions



**LET'S
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Questions?



CITY OF STATESVILLE



Ron Smith, City
Manager


NEW VANCE HOTEL



VANCE HOTEL HISTORY

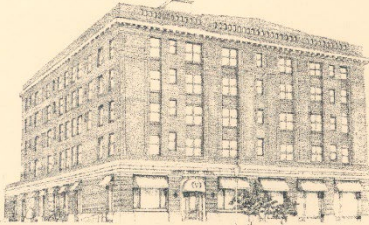
- Built in 1922 by Columbus Vance Henkel and investors
- Built for \$150,000, or roughly \$2mm today
- Swimming pool in the rear of the property, now under the parking deck
- Almost immediately expanded

historic bill. 241



The Historic Vance Hotel, built in 1922, is a reflection of times past. Located in Historic Downtown Statesville, it reflects a time when lodging was a pleasure and not just a necessity! With over 85 rooms, Banquet rooms, and The Library Restaurant and Lounge, the Historic Vance Hotel is the place for travelers looking for more than just a room. One of our guests said that "There are a lot of rooms in Statesville, but only one Hotel!"

Join us for an evening, a week or for that special meeting for you or for your company!



The Historic Vance Hotel
226 South Center Street
Historic Downtown Statesville, NC 28677
(800) 969-3688
(704) 873-3688
Fax: (704) 871-0453
www.historicvancehotel.com
info@historicvancehotel.com
sales@historicvancehotel.com

THE VANCE HOTEL TO ENLARGE

Annex to be Added Will Contain from 50 to 60 Rooms—Construction Will Begin Early in Spring.

The Vance is to have an annex of from 50 to 60 rooms, the exact number depending upon the final plan to be worked out by the architect. The present number of rooms is 72, 56 of which are provided with private baths. The purpose of the addition, which will make it approximately a 125-room hotel, is to make available a greater number of moderately priced rooms and give the hotel a better balance.

Mr. C. Vance Henkel, president of the Henkel Hotel Company, which owns the hotel, and Mr. D. M. Ausley, treasurer, state that it is their intention to assemble all the material necessary during the winter in order to begin construction in the early spring, and to complete it as quickly as possible, so as to be free from the disorder attending construction as soon as possible.

The present kitchen facilities and equipment, and the present heating plant, will not have to be increased, as the company foresaw the possibility of an addition and made provision accordingly. From 25 to 30 of the new rooms will be moderately priced, some to be equipped with showers; others will be connecting rooms. There will be a new assembly room, twice the size of the present one.

The annex is to be built directly in the rear, of the same construction as the hotel. The Vance was opened June 17, and has already won its place with the traveling public.

VANCE HOTEL HISTORY

- Famous for its fine old southern cooking and ultra-modern cuisine
- Fireproof
- Modern in every sense of the word
- 128 rooms, 100 with a bath...



**STATESVILLE'S LEADING HOSTELRY
THE VANCE HOTEL**

**THE VANCE HOTEL IS FAMOUS FOR ITS FINE OLD SOUTHERN
COOKING AND YET WITHAL ITS ULTRA-MODERN CUISINE.
IT IS NEW, FIREPROOF AND MODERN IN EVERY
SENSE OF THE WORD. THERE ARE 128
ROOMS, 100 WITH BATH.**

CITY PLANS

- The city purchased the building in 2012 for \$475,000, with the intent to use the parking
- Would deal with the hotel later



VANCE HOTEL ORIGINAL DEAL

- In December 2014 the City Council approved an RFP to redevelop the property
- In 2015 a development project began to develop 37 market rate apartments
- For three years the project was in the planning stages
- DFI/UNC School of Government was engaged in 2018
- The DFI review resulted in a recommendation to exit the deal or get more information and investment from the developer
- City decided to pull away
- Went back to the original proposals and called on a hotelier from the original RFP process

NEW PROJECT

- We began a conversation with a group that was originally interested in the hotel
- The concept was to redevelop it as 65-unit boutique hotel
- Parking deck with enough spaces to accommodate visitors and staff as well as 20 public spaces



NEGOTIATIONS

- City Council heard a new proposal
- As there were still champions of the previous project, this was a difficult conversation
- The new deal
 - Property was to be sold to the developer, and the money reinvested back into the project (parking deck portion)
 - No other incentives were requested
 - Support Landmark Status
 - Property appraised for \$47,000 based on the extensive renovation costs and condition of the building
 - Water leak
 - Roof issues
 - General disrepair
 - Trespassing
 - Pool

WHAT WORKED?

- City Attorney's intuition and DFI's analysis
- Willingness of the Council to say that the original deal was not the best for the city
- Downtown Redevelopment Zone – allowed the city to negotiate with the developer (important because RFPs were originally done)

WHAT DIDN'T WORK?

- Split City Council, there definitely was not unanimous support for the hotel concept
- Communication – there must be frequent updates, these projects take time and details are forgotten
- Time...

WHAT DO WE EXPECT?

- Want to see the lights on...
- A hotel “attached” to the civic center will be a game changer
 - More mid-week rentals of the facility
 - More breakout space in close proximity
 - Flexibility in general
- Statesville is basically at full occupancy in its hotels, this will provide more rooms
- Direct benefit downtown, restaurants, bars, and breweries
- First big step
 - We are seeing investment in our storefronts, but this is the largest building downtown and personally I feel it is the step necessary to kick off more interest and investment.
- “We were uptown. It wasn’t for the people here in town to come in every day and eat. It wasn’t that type of thing. It was a very nice place, and the food was delicious. We had people out of Charlotte who would come up for a dinner or for Sunday after church.” – Bonnie Harmon

TOP OF MIND

- The view from my office...



**LET'S
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Questions?





Let's Make A Deal

City of Morganton

City Manager: Sally Sandy



Let's Make A Deal

Requirements:

Patience

Partners

Political Capital

Flexibility

Creativity

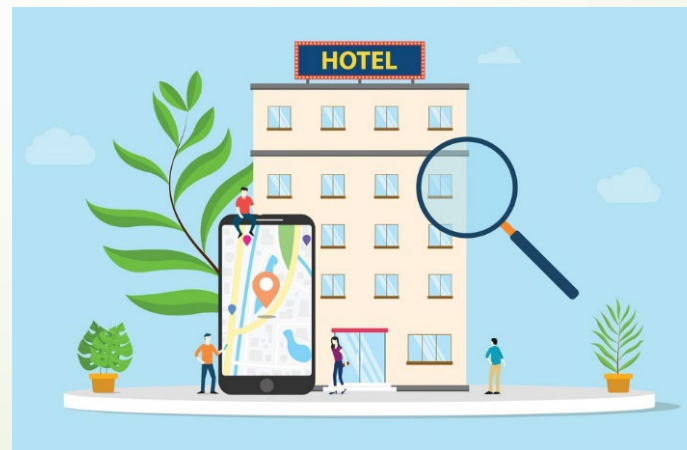
Statutory Authority

Money

Let's Make A Deal

The Story of a Downtown Hotel

IDEA...HOPE...DREAM...REALITY





Let's Make A Deal

- **2006** First Feasibility Study
- Downtown Focused
- City Staff and Council meet with Developer
- Site Selected
- Incentives Offered
- **No Deal!**

**PATIENCE, CREATIVITY, POLITICAL CAPITAL,
PARTNER, MONEY**



Let's Make A Deal

- ▶ **2009** City Adopts Updated Comprehensive Land Use Plan
 - ▶ Plan identifies Development Districts and Hospitality Corridors
 - ▶ City Staff proposes Development Incentive Grant (DIG) Program
 - ▶ DIG available in Downtown and Hospitality Corridors for transformational projects
- ▶ DIG presented to Burke County Commissioners
 - ▶ **2014** County Commissioners approved DIG

**PATIENCE, CREATIVITY, POLITICAL CAPITAL, PARTNER,
STATUTORY AUTHORITY, MONEY**



Let's Make A Deal

- **2010** Main Street Solution Fund Grant
 - \$275,000
- Catalyst for change
- Creation of Loan/Grant Program
 - Restaurant Development
 - Small Business growth
 - Tourism Development
 - Retail Development

PATIENCE, CREATIVITY, MONEY

Let's Make A Deal

IDEA...HOPE

2010 – 2016

- Three more feasibility studies commissioned
- City staff hosts 4 more Hotel Developers
 - Just the numbers not enough to close the deal
 - 2015 Feasibility Study supported a Downtown Hotel
 - Community tour and telling **OUR** story required
 - **Still no deal!**

**PATIENCE, PARTNERS, CREATIVITY,
MONEY**

Prepared For

Ms. Brenda Daniels
ElectriCities of NC, Inc.
1427 Meadow Wood Boulevard
Raleigh, North Carolina 27604

Feasibility Study of

Proposed Hotel
Morganton, North Carolina 28655



Source: The City of Morganton, North Carolina

Prepared By

Hotel and Club Associates of Virginia
555 East Main Street, Suite 1550
Norfolk, Virginia 23510

Date of Analysis

July 16, 2015

Date of Report

September 9, 2015

Let's Make A Deal



IDEA...HOPE

- 2016 Local Developer decides to pursue Downtown Hotel
 - City provides funding to update market analysis
 - City writes letter for Developer to attract investors and financing
 - Site selected in CBD – Property Owner becomes investor
 - Developer initiates Public Investment Offering – falls short of goal
 - Developer pursues franchise with a National Brand

PATIENCE, PARTNERS, CREATIVITY, MONEY



Let's Make A Deal

HOPE

July 2017

- ▶ City and Local Developer work to fill gaps to secure necessary financing
- ▶ City Participation
 - ▶ City pursues second Main Street Solutions Fund Grant \$200,000
 - ▶ City pursues Appalachian Regional Commission Infrastructure Grant for Hotel site and surrounding blocks \$277, 540
 - ▶ Requires 50/50 match

PATIENCE, STATUTORY AUTHORITY, CREATIVITY, PARTNERS, MONEY



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HOPE...DREAM

August 2017

- ▶ Hotel plans and designs submitted for Zoning Review and Permits
- ▶ Developer submits Alternative Design application for:
 - ▶ Façade materials
 - ▶ Setbacks
 - ▶ Façade Articulation
- ▶ City Staff works through the requests – ultimately unanimous support of Planning and Zoning and City Council
- ▶ City agrees to participate in landscaping the front street yard along the Downtown Greenway
- ▶ Developer deposits \$66,700 with City for utility work on site

PATIENCE, FLEXIBILITY, CREATIVITY, STATUTORY AUTHORITY, MONEY



Fairfield
INN & SUITES
Marriott

Fairfield
INN & SUITES
Marriott

400 North Green

Let's Make A Deal

DREAM...REALITY

August 2018

► Groundbreaking Ceremony

**PATIENCE, CREATIVITY, POLITICAL CAPITAL,
PARTNER, STATUTORY AUTHORITY, MONEY**





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BACK TO DREAM

September 2018

- ▶ City receives \$200,000 Main Street Solutions Fund grant for hotel
- ▶ City helps obtain a VEDIC loan for \$250,000 to Developer
- ▶ City Council calls for Public Hearing to consider DIG for Downtown Hotel
 - ▶ 5 year incentive based on new investment
- ▶ DIG incentive from City/County was included in Developer's pro forma submitted for financing
- ▶ County decides they don't want to participate in DIG
 - ▶ Developer starts the political pressure to keep County engaged
 - ▶ City staff pleads case for DIG and why this project fits the program perfectly
 - ▶ County asks City to provide 10 years of revenue projections to justify DIG participation

PATIENCE, CREATIVITY, POLITICAL CAPITAL, STATUTORY AUTHORITY, MONEY

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BACK TO DREAM

October 2018

- ▶ City approves DIG for Downtown Hotel
 - ▶ Estimated value \$200,000 over 5 years
- ▶ City approves a last minute bridge loan
 - ▶ Terms - \$75,000 @ 4% interest not to exceed 18 months
- ▶ Still pressuring County to approve DIG

**PATIENCE, FLEXIBILITY, CREATIVITY,
STATUTORY AUTHORITY,
POLITICAL CAPITAL, MONEY**





Let's Make A Deal

DREAM...REALITY...FINAL ROUND

November 2018 – August 2019

- ▶ City returns \$66,700 in escrowed utility improvement funds to Developer
- ▶ Public Infrastructure improvements completed
- ▶ County finally approves the DIG Grant

PATIENCE, MONEY



REALITY



Let's Make A Deal

March 2020

- ▶ Certificate of Occupancy Issued
- ▶ Developer pays off Bridge Loan
- ▶ City approves a CDBG Small Business Loan to Developer for job creation - \$75,000
- ▶ Hotel celebrates Grand Opening

**PATIENCE, FLEXIBILITY, CREATIVITY, STATUTORY AUTHORITY,
POLITICAL CAPITAL, MONEY**



Fairfield
BY MARRIOTT
INN & SUITE

Fairfield
BY MARRIOTT

MAGNOLIA
ROOM

400 North Green



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