

MARTINSVILLE CITY COUNCIL AGENDA
September 11, 2012

ADDENDUM

1. Consider adoption of resolution supporting the City's application for Industrial Revitalization Funds for the Henry Hotel.



**City Council
Agenda Summary
ADDENDUM**

Date: September 11, 2012

Item No: ADDENDUM

Department: Community Development

Issue: Consider adoption of resolution supporting the City's application for Industrial Revitalization Funds for the Henry Hotel.

Summary: Because of the time factor in the grant application, staff feels that a resolution should be submitted for your approval at this time.

Attachments: [Resolution](#)

Recommendations: Approve resolution

City of Martinsville

Resolution

WHEREAS, the City of Martinsville is the owner of record of the historic “Henry Hotel Building,” located on 50 E Church Street in Uptown Martinsville, and;

WHEREAS, the building was purchased by the City of Martinsville to both preserve the historic structure and to make the building available for redevelopment, and to be a catalyst for new investment in the Uptown area, and;

WHEREAS, the purchase price for the “Henry Hotel Building” was a total of \$425,000, with a cash payment of \$95,000 and the balance in the form of a loan from The Harvest Foundation (for \$330,000), and;

WHEREAS, Phoenix Community Development Corporation (Phoenix CDC) was formed to facilitate redevelopment and new investment in distressed areas of the City of Martinsville and Henry County, and;

WHEREAS, The Harvest Foundation has committed a \$265,000 Grant to Phoenix CDC to assist in covering Predevelopment or Soft-Cost for the initial projects it undertakes, and;

WHEREAS, Phoenix CDC has already made considerable effort and expended significant funds to complete Environmental, Engineering, Architectural, Market Analysis and Financial Analysis into the feasibility of renovating the Henry Hotel, and;

WHEREAS, The City of Martinsville desires to work with Phoenix CDC toward the renovation of the Henry Hotel Building and is willing to transfer the ownership of the building to Phoenix CDC, with Phoenix CDC assuming the outstanding debt on the property, and;

WHEREAS, the analysis by Phoenix CDC shows that it is feasible to renovate the building from a physical standpoint, it would not be economically feasible without the use of both various Tax Credit programs and other Grants to fill the financial gaps caused by the local economic conditions, and;

WHEREAS, considering the City’s previous purchase of the building and Phoenix CDC committing \$225,000 of its \$265,000 Harvest Pre-Development Grant toward the renovation of the Henry Hotel Building and together bring the current local funds committed to the renovation project totaling \$650,000, and;

WHEREAS, This amount meets the minimum required local matching funds for an “2013 Industrial Revitalization Fund (IRF) Grant” at the maximum grant amount of \$500,000, now then;

HEREBY BE IT RESOLVED, that the City Council of City of Martinsville, does hereby authorize the City Staff to prepare and submit on behalf of the City of Martinsville a “2013 Industrial Revitalization Fund (IRF) Grant Application” to the Virginia Department of Housing and Community Development (DHDC) on behalf of the renovation of the Henry Hotel Building which is owned by the City of Martinsville. Such grant request to total \$500,000, and;

BE IT ALSO RESOLVED, that if approved by DHDC, the IRF Grant Funds would be used to financially assist in the physical renovation of the Henry Hotel Building, with Phoenix Community Development Corporation (Phoenix CDC), a 501c3 Non-Profit organization, incorporated in the Commonwealth of Virginia, serving as the Project Developer.

This Resolution was read and approved by majority vote of the City Council of the City of Martinsville, at its Council Meeting, held on the _____ Day of _____ in the Year 2012, and recognized by the Authorized Signature(s) below:

Signature of Authorized Official

Attest:

Brenda Prillaman, Clerk of Council