

SALISBURY



ROWAN COUNTY

Authentic North Carolina

SALISBURY-ROWAN COUNTY CONVENTION & VISITORS BUREAU
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Name: Capital Committee

Date of Meeting: November 18, 2015

Board Chair: James Meacham, Interim

Date of Next Meeting: December 9, 2015

Committee Members Attending: Thad Howell, Bill Burgin, Mark Lewis, Krista Osterweil, Boris Bunich, Paula Bohland

Tourism Staff: James Meacham, Lesley Pullium, Tara Ludwig, Melissa Murguz, Stephanie Centeno, Allyson Teague

Attending Guests, Liaisons, and Officials: Scott Shelton, Project Manager, EDC

Not Attending: Janet Gapen

James Meacham called the meeting to order at 11:25 AM, informing the committee that he will act as interim committee chair until a new chair can be appointed.

Approval of the Minutes:

Motion: Mark Lewis made the motion for the approval of the minutes.

Second: Krista Osterweil

Motion: Approved

Capital Budget / Financials

Meacham updated the group on the capital budget and overall financials. As of November 17th there is an account balance of \$257,536. From that total, \$118,815 is donor restricted funds, leaving an unrestricted fund balance of \$138,000. Currently the budget is in line and slightly ahead, in terms of tax receipts year-to-date. The only expenses incurred thus far are \$40,481 for the wayfinding signs, which were delivered on Thursday, November 12th, and \$30,000 for the public art purchases. There have been no changes to the five year budget.

The Pro Forma is currently updated and through the month of October the original budget was \$10,074 in tax receipts. With an actual total of \$10,476, the committee is \$402 ahead of budget for October, resulting in \$3,835 ahead in revenue for the capital fund fiscal year to date. The

Rail Walk Project

Meacham informed the committee of a new exciting project in the works. Roughly two and a half years ago there was a total of \$400,000 from Wells Fargo given to the community. Of that \$400,000, Lee Street Theater was allocated \$300,000 and \$100,000 was distributed to the SRCCVB to assist with the development of the Rail Walk area along Lee Street. Original concepts focused on a new market space or an outdoor gathering spot. After researching the Rail Walk plan, SRCCVB master plan, and Downtown Salisbury master plan the decision was made to shift the concept to a business development project versus an infrastructure project.

Rowan Investment Company and Morgan Ridge Vineyards began a conversation about their growing brewery and hospitality business and if an addition in their particular trade could work in the downtown area. Rowan Investment and Morgan Ridge have proposed to convert 9,000 square feet of warehouse space into a restaurant and brewery. With the help of Paula Bohland with Downtown Salisbury and Scott Shelton with Economic Development, Rowan Investment and Morgan Ridge began looking at different grants and incentive options available, including one from the NC Department of Commerce, who offers a Rural Building Reuse Grant given to smaller communities in North Carolina. NCDOC looks at economic ranking and Rowan County is a Tier Two county. The overall amount requested for this grant application and approved was \$162,500. The total project cost is estimated at \$1.4 million dollars.

Shelton, Project Manager with the Economic Development Commission, stated that the EDC's role is to work with Rowan Investment and Morgan Ridge to provide potential funding opportunities to alleviate some of the costs of the project. Shelton sees the Rail Walk project as a way to enhance downtown Salisbury as a destination. Shelton conveyed that EDC will be meeting with City Council to discuss the project in further detail. In addition, the budget and financial information for the project will be entered into a software program called Implant to determine the direct economic impact for the community. Normally for a project like this, for every two direct jobs produced, one indirect job is also created.

Bohland with DSI also stated the project fits into the plan for the Rail Walk District in downtown Salisbury. Bohland feels it will significantly impact the development of this area. Meacham shared the artist's renderings of the Rail Walk project in order for the committee to receive a visual of what the development will potentially look like. Bohland recently gave a tour of the Rail Walk District and concluded that the new restaurant and brewery will help to alleviate the food desert of the

area. Every weekend there are events taking place at Lee Street Theater, which will certainly impact the restaurant and brewery just down the street. Downtown Salisbury is working on utilizing this project to help develop the rest of the area and this property will expand the MSD (Municipal Service District). The available building is currently not in use, so the \$1.4 million dollar project will significantly impact the community just with the taxes it will create. Bohland expressed excitement about the continued partnerships between the varieties of groups involved.

Mark Lewis asked if the \$1.4 million will produce the exact replica of artist's renderings. Meacham stated the total project funds it will produce the restaurant and brewery. Meacham went on to say that \$125,000 that was committed by the Capital Committee for the Rail Walk itself will help start the overall infrastructure project. Conversations with City leadership have generated discussion about the Rail Walk project coming to fruition and how it could be the precipice for looking at a long term streetscape development project in the area.

Meacham conveyed that the application to Wells Fargo included a description of the Rail Walk District and the importance of its redevelopment. The EDC Director and Meacham conversed with Wells Fargo independently, who expressed great interest and support in the current proposed project. Wells Fargo felt that launching a business in an economically "depressed" area, especially a restaurant and brewery, would be stronger selling point for community and economic development. Thad Howell asked if there will be any recognition for Wells Fargo. Meacham would like to do an unveiling and ribbon cutting at the end of the project and implement a plaque to recognize Wells Fargo's support.

Meacham recommended that the committee make a motion to approve the proposal, and, in turn, send the motion to the SRCCVB Board of Directors for further approval.

Motion: Mark Lewis made the motion that the committee allocate \$70,000 in Centerpiece funds to support the Morgan Ridge tourism development project as outlined in Rowan Works' presentation to the North Carolina Department of Commerce.

Second: Krista Osterweil

Motion: Approved

There were no questions. The meeting was adjourned at 11:50 AM.

Respectfully submitted by:
Allyson Teague, SRCCVB Office Assistant