

**MINUTES OF A SPECIAL MEETING
ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF ROANOKE, VIRGINIA**

May 3, 2017

Directors present:

Thomas Cullen
Braxton G. Naff
Bill Poe
A. Damon Williams

Directors absent:

Duke Baldrige
Vickie H. Bibee
Linda Davis Frith

The meeting location was the Economic Development Conference Room at 117 Church Avenue, S.W., Roanoke, Virginia 24011.

Also present at the meeting were: Wayne F. Bowers, City of Roanoke Economic Development Director; Rob Ledger, City of Roanoke Economic Development Manager; Brandon Turner, Economic Development Specialist; and Harwell M. Darby, Jr., Counsel to the Authority. Also present were John Garland, representing 416 Campbell Avenue, S.W. and Lucas L. Thornton, representing Fairlawn at Jefferson, LLC.

Mr. Williams called the meeting to order at 8:00 a.m. and declared that a quorum was present.

On motion by Mr. Naff and seconded by Mr. Cullen, the Authority voted 4-0 to approve a façade grant extension request from John Aubrey Garland for property located at 416 Campbell Avenue, S.W. until August 31, 2017 (a six (6) month extension). Renovations were delayed due to excessive review times required and loan approval process.

Mr. Lucas L. Thornton, representing Fairlawn at Jefferson, LLC, outlined a Façade Grant request for the Boxley Building located at 416 S. Jefferson Street, S.E., and on motion by Mr. Poe and seconded by Mr. Cullen, the Authority determined on a 4-0 vote, as a matter of fact, based on the representations of Mr. Thornton, summarized in his letter dated May 1, 2017, attached hereto and made a part of these minutes, that at least 20% of the Boxley Building, when renovated and leased as outlined, will be used for commercial purposes; and that a Façade Grant be approved in the amount of \$25,000, being the lesser of (1) one-third of the costs of improving the façade of the Boxley Building, or (2) the maximum grant amount of \$25,000, with the construction to be completed on or before August 31, 2017 and the grant funded on or before November 30, 2017, with the requirement that the Economic Development Specialist

review the documentation supporting each expenditure to ensure compliance with the Façade Grant guidelines and report back the final amount to the Board as soon as the project is completed.

The Board asked Mr. Turner to review the Façade Grant Program Guidelines and recommend changes at the next meeting.

Mr. Williams adjourned the meeting at 8:29 a.m.

Attachment (1):

1. Letter dated May 1, 2017 from Fairlawn at Jefferson, LLC.

Hist:Re

PARTNERS LLC

May 1, 2017

Mr. Brandon S. Turner
Economic Development Specialist
City of Roanoke Department Economic Development
117 Church Ave. S.W., 24011

Re: 416 S. Jefferson Façade Grant

Dear Brandon:

Based on our conversation, I understand that the Economic Development Authority had some questions regarding our distinction between the proposed use and a residential occupancy. For the benefit of any members who might not be able to attend, please let this letter help to outline some of the considerations we think material.

Specifically, we believe Wilson's proposed use meets the definition of commercial real estate because:

- It is a single lease with a single for profit tenant that occupies the suite for a variety of uses in addition to providing dormitories.
- As Landlords, we have no discretion regarding with whom or how the school determines enrollment or use of the premises.
- Wilson provides a service to two private schools, and the public at large; it does not receive any direct compensation from students for housing – or any other service.
- The facility does not meet the International Building Code's requirements for Residential Housing in that the dormitories have no kitchens, nor washer/dryer units.
- Roanoke specific ordinances stipulate that a one bedroom residential apartment cannot be occupied by more than two unrelated parties, we had to reclassify this project as commercial to specifically allow such occupancy. Dormitories are classed as hotels or hostels.
- To accommodate such a use, we had to make additional accommodations for egress, accessibility and access control.
- Though not retail in nature, Wilson intends to lease the first floor complete with, kitchen, dining halls and reception halls, for private parties, assemblies and catered functions.
- In addition to all else, the basement – fully accessible by elevator – will have market rate storage lockers leased to downtown commercial businesses and residents.
- The first floor and ground floor total 10,226 SF out of a gross building area of 44,107 SF or 23.18%; the SF of total rentable area is slightly higher, or 8,712 SF out of a total area of 31,455 SF or 27.69%. This does not include the contemplated conversion of an unused utility area into a gym.

These are just a few of the distinctions that we think relevant. We look forward to our conversation on Wednesday and will be happy to answer any questions that the Authority might have.

Thank you very much for your help on this project.

Sincerely,



Lucas L. Thornton
The Hist:Re Partners, LLC