



Waynesboro City Council Agenda Briefing

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| Meeting Date: | October 23, 2023 | Staff/Council Member(s): Mike Hamp, City Manager/Greg Hitchin, Director of Economic Development and Tourism |
| Agenda Item # | 9 | |
| Resolution# | | |
| Department: | City Manager's Office /Economic Development Department | |
| Subject: | Resolutions of support for Industrial Revitalization Fund grant application for 531 W. Main Street | |

Background: The Industrial Revitalization Fund (IRF) was developed to leverage local and private resources to achieve market-driven redevelopment of vacant and deteriorated industrial and commercial properties. The IRF program is administered by the Commonwealth's Department of Housing and Community Development (DHCD).

According to DHCD, "the program is targeted toward vacant non-residential structures whose poor condition creates physical and economic blight to the surrounding area in which the structure is located. Eligible properties shall include those formerly used for manufacturing, warehousing, mining, transportation and power production, as well as large-scale white elephant structures, such as department stores, theaters, hotels, and shopping centers. Remnants of past economic vibrancy and local economies in transition, whose structures are no longer suited for their former purpose, and in their current deteriorated condition, stand as a significant deterrent to future economic opportunity in the surrounding area and region."

For calendar 2023 DHCD has offered three rounds of funding. For this, 2023 Fall IRF grant program, jurisdictions can apply for a maximum of \$5,000,000 for one project. Only local government (city, county, or town) or regional or local economic or industrial development authorities may apply for the funds.

The City has had great success securing IRF grants in the past. An IRF loan allowed the Basic City Brewery to open in the former Virginia Metalcrafters Building; a \$400,000 grant for 411 W. Main Street is currently being finalized. Another successful IRF application for a redevelopment of the Cassco Cold Storage facility was returned after the owner did not proceed with the project.

Although the City, via the EDA, must make the IRF application on behalf of the developers, it requires no financial commitment on the part of the City. If successful, a for profit developer receives the funds as a twenty-year loan; if awarded to a nonprofit developer the award is a grant.

In September 2023 the Wayne Theatre approached city staff on the possibility of applying for the Fall 2023 IRF grant.

Staff has been working with the Wayne and is preparing an application totaling \$5M. As a nonprofit business the Wayne would receive the funds as a grant.

The City has identified the property at 531 W. Main as “neglected and blighted”. The Waynesboro Planning Commission signed off on the one story part of the building to be taken down from trees growing through the building, mold, broken windows, parts of the brick walls fallen down and more in July 2021.

This proactive action provides an opportunity to move forward with a Music & Technical Resource Center. The center will offer a wide variety of resources focusing on instrumental and technical training, including, but not necessarily limited to, a state-of-the-art recording and post production studio, cutting-edge learning labs, a vibrant outdoor stage and greenspace creating a dynamic environment for individuals of all ages to explore and develop their musical talents. For the community, this will provide new employment opportunities, establish partnerships with local schools and colleges providing hands-on learning opportunities, create a destination venue providing ancillary economic impact for local establishments, and improve the appearance to the entrance to the Central Business District.

City Manager's Recommendation: The City Manager supports this initiative and application because: (1) it redevelops a blighted building that negatively impacts the Downtown and surrounding neighborhoods; (2) redevelopment of large, vacant buildings is critical to the long-term success of the City's core commercial areas; and, (3) reinvestment in the building will create a destination venue and increase the City's tax base directly and indirectly.

Suggested Motion(s): City Council is requested to move and vote for adoption of the attached resolution of support

Attachments: Resolution in support of the IRF application for 531 W. Main Street