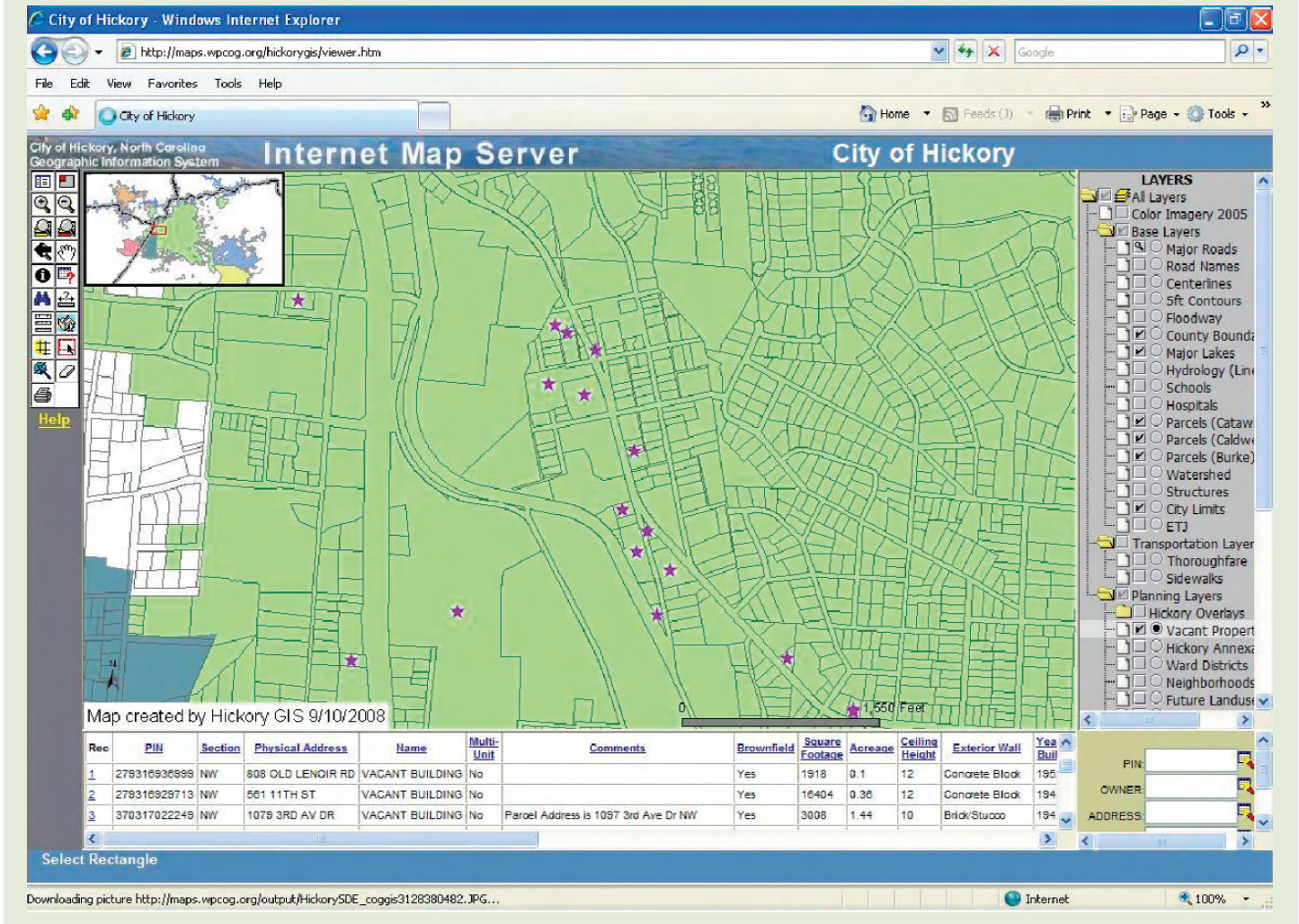


Exhibit 3: GIS-Based Vacant Building Inventory



unify all the areas that qualify for the city's redevelopment programs into one map. Doing so will help target program impacts to the area of greatest need and make eligibility requirements easier to understand.

VACANT BUILDING REVITALIZATION GRANT PROGRAM

The Vacant Building Revitalization Grant is one of the core programs of Operation NoVacancy. The grant is intended to encourage the reuse of existing buildings within the designated commercial revitalization area that city staff have identified as vacant or under-used. The city earmarked \$250,000 in the 2008 – 2009 fiscal year for this grant program,

The city has seen increased interest from potential developers and potentially expanding companies in redeveloping vacant commercial buildings.

which is designed to help owners of vacant and under-used property make improvements that will result in the occupancy and reuse of the buildings.

The program offers matching funds of up to \$25,000 for projects that renovate vacant or under-used buildings in the com-

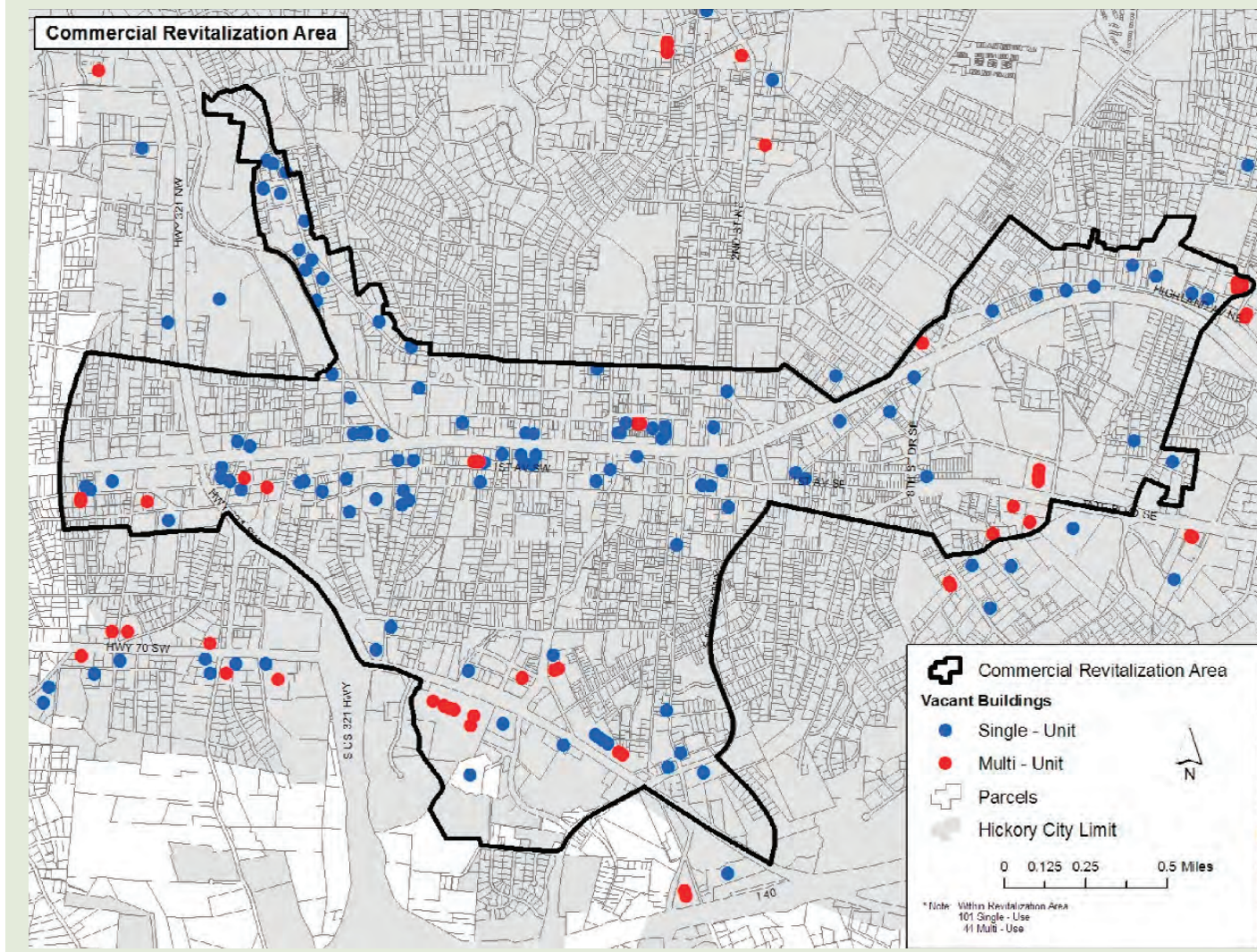
mercial revitalization area. Funds can be used for exterior improvements, demolition of substandard buildings, and interior improvements necessary to protect the structural integrity of buildings. The redevelopment committee reviews the grant applications, and priority is given to brownfield sites. One grant is currently underway, and another is awaiting final approval by the City Council.

EXISTING REDEVELOPMENT PROGRAMS

Another important aspect of Operation NoVacancy is marketing and improving the city's existing redevelopment programs. The city already offered a number of programs that encouraged redevelopment, including landscape incentive grants, facade improvement grants, and tax incentives for projects in a commercial revitalization area. One of the goals of Operation NoVacancy is to unify each of these programs under one eligibility map. This not only helps target the effects of the programs, but it also makes it easier for citizens to understand the programs for which a particular property is eligible. City staff has developed brochures and other promotional materials to use for targeted mailings and distribution to potential stakeholders, as well as improving Web content to help promote the city's redevelopment programs.

As a result of Operation NoVacancy's success, Hickory's revised economic development assistance guidelines now promote the reuse of vacant industrial buildings. The guidelines, revised in June 2008, now provide an additional 10 percent of funding per year and/or an additional year of property tax incentives back to the company, which must meet the threshold of \$1.5 million in new investment and a minimum of 20 jobs. As an example, a company that invests \$5 million and adds 20 new jobs would normally receive a 3-year, 65 percent grant in property taxes owed to the city. If the company uses a vacant building on the inventory list, the incentive could be increased to 4 years and 70 percent, upon approval by the City Council. In this scenario, the incentive generated by an additional year and an additional 10-percent property tax grant takes the grant from \$48,750 over a 3-year period to

Exhibit 4: Commercial Revitalization Map Plotting Vacant Buildings



\$70,000 over a 4-year period — an increase of \$21,250 for selecting a vacant building.

The program also works in conjunction with Hickory's Brownfield and Community Development Block Grant (CDBG) programs. For example, the city's brownfield grant will be used to pay for environmental assessments on vacant and under-used buildings, while CDBG funds can be used for sidewalk and other infrastructure investments. CDBG funds are also used for a first-time homebuyers program and a housing rehab loan program. This helps strengthen many of the residential neighborhoods adjacent to the commercial and industrial corridors where a number of the vacant buildings are located. Staff has compiled information about these programs and applicable state and federal programs as a resource to citizens, realtors, and developers.

STAKEHOLDER OUTREACH

As an ongoing process, the committee works with stakeholders to improve the process for occupying existing buildings and solicit feedback on potential programs. Staff has worked with Catawba County's building inspection department to develop a document that explains some of the issues people may come across when trying to occupy existing



Operation NoVacancy

The City of Hickory recently presented its Operation NoVacancy initiative at a May 2009 Alliance for Innovation conference that presented cutting-edge programs from local governments across the country. The program earned an outstanding achievement in innovation award from the alliance.

For more information on Operation NoVacancy or the Vacant Building Inventory, call Dave Leonetti, planner, at 828-323-7422 or go to the Planning and Development Department section at www.hickorygov.com.

buildings. The document outlines implications of changes in use or occupancy classification, which allows citizens to look more critically at some of the issues that may arise when adaptively reusing a vacant building. The committee has also consulted with local real estate professionals to gain perspective on potential programs.

The committee makes presentations to the City Council and to neighborhood associations to get their feedback on how the initiative can assist property owners. All of the neighborhood associations are concerned with proactive code enforcement for both residential and commercial property. The police officer in charge of code enforcement was recently added to the committee to ensure that these concerns are addressed along with other revitalization efforts.

Also, in partnership with a local historic preservation organization, the committee has helped develop resources about programs available for historic properties. This initiative has just gotten underway. The group continually works with local professionals to gain additional information about sites and get input about potential redevelopment strategies. It is currently working with a number of property owners to redevelop a few of the historic mill buildings in town. These buildings are either already listed on the national register of historic places or are on the study list.

RESULTS AND GOALS

The city has seen increased interest from potential developers and potentially expanding companies in redeveloping vacant commercial buildings. Three recent projects have committed to occupy more than 375,000 square feet of manufacturing and office space in vacant buildings. One is a subsidiary of a national home furnishings retailer, which recently

committed to occupy a vacant facility for a plant that makes upholstered furniture products.

Using in-house resources to conduct the inventory of vacant buildings has saved the city more than \$15,000 during the inventory process for its brownfield program. This will allow the city to perform more environmental site assessments than previously anticipated. The city received two \$200,000 brownfield assessment grants from the U.S. Environmental Protection Agency to assess whether any environmental contamination exists on these properties and for redevelopment planning, including creation of a clean up plan for properties. The grant does not pay for remediation, but the city can apply for additional funding when the grant cycle is finished.

The Operation NoVacancy program is still in its beginning stages, and the committee is developing performance measures. These will include:

- net square footage of vacant buildings reoccupied
- number of people reached through marketing efforts
- hits to vacant building inventory and redevelopment Web pages
- number of vacant buildings toured and summary reports completed

CONCLUSIONS

A common barrier to the redevelopment of vacant commercial buildings is the lack of information available to potential buyers and local governments to easily access and search properties. In Hickory, most commercial realtors do not share information about other realtor's listings, as they do in the residential sector. Before the city's vacant building inventory was completed, staff had to make numerous phone calls to commercial realtors to fulfill economic development requests for business owners looking to locate in an existing building. The inventory has greatly improved staff response time to these requests. Small business owners can also now search the list themselves to find buildings that might meet their needs. In addition the vacant building inventory tool serves as free

A significant percentage of the vacant buildings in the revitalization area are not being actively marketed, and many are obsolete commercial and manufacturing facilities located in areas that the traditional real estate market has left behind. Operation NoVacancy is devoted to tracking all properties where redevelopment needs to occur.

advertising for vacant commercial and industrial buildings within Hickory.

The inventory has helped staff identify corridors in need of redevelopment and enhanced staff's ability to create realistic plans for corridor redevelopment. Identifying these corridors led staff to conduct a comprehensive reassessment of existing redevelopment programs and develop new programs. In addition, citizens benefit from improved quality of life, aesthetics, increased property values, and improved transportation within the redevelopment of corridors in which they live, work, travel, or engage in

recreation. Designating the commercial revitalization area ensures that the city's redevelopment dollars are targeted to the areas where need is great and the dollars will have the most impact. ■

ANDREA SURRATT is assistant city manager for the City of Hickory, North Carolina. In addition to overseeing the Operation NoVacancy project, she manages and oversees several city departments; develops and directs preparation of city policies; leads implementation of city master plans; assists the city manager with strategic planning, including economic development and long-range infrastructure needs; accomplishes City Council goals and objectives; and serves as the city's representative in regional and state forums. Surratt has 16 years of local government experience. Before coming to Hickory, she was planning director for Moore County, North Carolina, and before that, she was town manager of Wrightsville Beach. She also served as the director of planning and inspections with Wrightsville Beach, North Carolina; planning and development manager in Wilmington, North Carolina; and as a planner for the City of Nixa, Missouri. Surratt received a master's degree in city and regional planning from Clemson University and a bachelor of arts in political science from Guilford College. **DAVE LEONETTI** is a city planner for Hickory. He began working for the city in 2007. Bennett has a master of Public Administration from the University of North Carolina Chapel Hill and a bachelor of arts from St. Joseph's University. **MIKE BENNETT** is the assistant to the city manager. He began working for the City of Hickory in 2007. Bennett has a master of Public Administration from the Brigham Young University and a bachelor of science from Utah State University.