
PINE / JEFFERSON/ FIVE FORKS
DEVELOPMENT INITIATIVE

OLD WEST END REVITALIZATION STRATEGY



CITY OF DANVILLE, VIRGINIA

AUG 2014



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Project Overview: Revitalization Opportunities and Desired Outcomes

In the City of Danville, the Old West End Historic District offers unique opportunities for housing rehabilitation and neighborhood development. The Old West End Neighborhood is on the National Register of Historic Places and operates as a local historic district with adopted design guidelines for development. The neighborhood hosts a distinctive architectural housing stock, connecting public streets with pedestrian sidewalks, supporting community facilities, and is in close proximity to a renewed historic downtown and warehouse district. In recent years, the City of Danville has successfully invested public funding in the redevelopment and revitalization of the historic Downtown, the River District, and the historic Tobacco Warehouse District.

In 2012, the *Old West End Rental District Study* established a revitalization strategy for the area which set forth recommended administrative, financial, planning and design activities. Since completion of the study, the City of Danville has worked with the Danville Redevelopment and Housing Authority to acquire multiple key properties and initiated several administrative revitalization recommendations, including a rental inspection district and code provisions for dealing with blighted and neglected properties.

The *Pine / Jefferson / Five Forks Development Initiative* represents a “focused action strategy” for neighborhood revitalization that furthers financial and planning and design recommendations of the OWE Study. The Development Initiative will position the 800 block of Pine Street, the 200 block of Jefferson Avenue, and the Five Forks Neighborhood Commercial Area (see map on next page) as an influential “critical mass” investment to upgrade a collective group of properties for maximum effect to jump-start investment in the area.

- Houses on these streets are of architectural and historic value; many are vacant and available for sale. Of the thirty residential properties on that block of Pine Street, approximately thirty percent are vacant and approximately seventy percent are rental properties. A majority of the properties need substantial stabilization and building improvements. Jefferson Avenue exhibits similar conditions.
- These properties offer opportunities for owner-occupied housing for middle-upper income persons, especially young professionals or young families, as an alternative to loft development in the nearby river district. In addition, some properties can offer business investment opportunities for rental income or live/work space.

PINE / JEFFERSON / FIVE FORKS DEVELOPMENT INITIATIVE
OLD WEST END REVITALIZATION STRATEGY



Map showing Project Area within the City of Danville, Virginia



The **Pine / Jefferson Development Initiative** proposes the acquisition and rehabilitation of vacant houses and buildings on the block to historic standards that meet Secretary of the Interior Standards for Rehabilitation for the purpose of taking advantage of Federal and/or State Historic Tax Credits. The **first phase** could involve up to 11 buildings (vacant) on Pine Street. As funding permits, other rental properties on the street may be acquired for similar rehabilitation. To assist existing homeowners, financial incentive programs would be developed to assist with critical home stabilization and rehabilitation. Additional residential investment in vacant structures in the 200 block of Jefferson Avenue can reinforce the targeted area investment strategy, stabilizing a greater critical mass.

- The Pine / Jefferson Development Initiative is planned to be implemented concurrently with the revitalization of **Five Forks Neighborhood Commercial Area** at the northwest corner of Pine and Jefferson Street. This cluster of corner buildings within the Old West End Historic District offers opportunities for mixed, residential and commercial uses, and new infill building development. This development component is critical to the success of the overall effort in that this small business district will provide important commercial and support services to new residents and the larger neighborhood.
- **Public improvements to streets, sidewalks and the gateway entrance** into the neighborhood at Jefferson/Loyal/Wilson Streets are recommended to improve blighted conditions and strengthen neighborhood connectivity to revitalized development and investment in the warehouse historic district.
- The ultimate goal of the Initiatives are to provide a **distinctive, attractive and safe neighborhood** that offers alternative choices for quality housing targeted to middle to higher income persons with strong connections to supporting commercial businesses, recreational amenities, and revitalized job and educational centers.

Economic Market Assessment

In order to understand the real estate market potential and realistic pricing for the Pine Street / Five Forks Development Initiative, the project team reviewed previous economic market assessments completed for the City of Danville and researched the most current census information. These included:

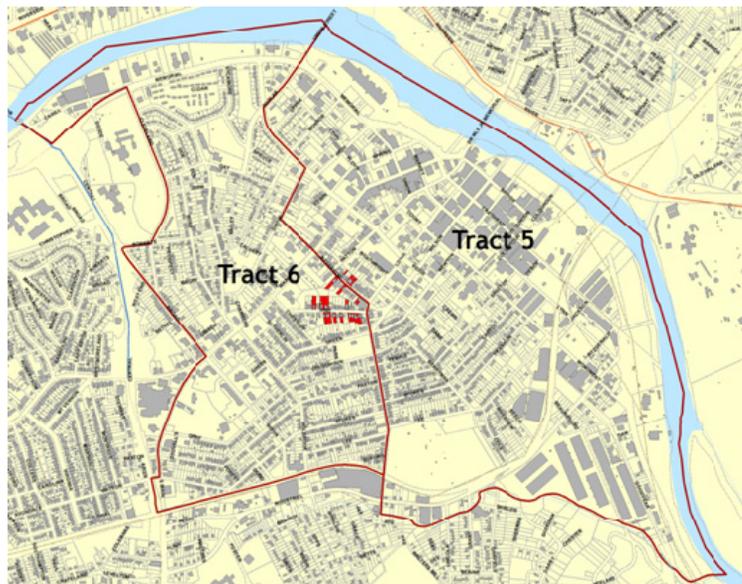
- *An Apartment/Condominium Analysis in the City of Danville, Virginia* by Danter Company, January 2008;
- *Downtown Danville Market Study Update* by Greenburg Development Services, February 2008;
- *Real Estate Market Update, River District Redevelopment Plan* by BBP & Associates, LLC, September 2011; and



- *2008-2012 American Community Survey Demographic, Housing, Social and Economic Characteristics* published by the U. S. Census Bureau for the City of Danville and two Census Tracts (Tracts 5 and 6) which covered the project area.

Demographic Snapshot

Pine Street and the Five Forks Neighborhood Commercial Area are located on the fringe of Census Tract 6; a portion of the study area on Jefferson Avenue falls into Census Tract 5, which also contains the Tobacco Warehouse Historic District where there is new investment. A summary table of Census Information is provided on the following page.



Pine Street is located in Census Tract 6; Jefferson Avenue is in Tract 5

Review of Census information for the study area from 2008-2012 indicates:

- Over the past five years, there has been a 7-8% decrease in population in the City;
- Median household income is low for the study area (\$20,774 and \$13,896) and for the City (\$30,505);
- Large percentage of the population in the study area is either not in labor force or unemployed (41-57%);
- Residents in the study area move more frequently than others in the City (about 10% more, when compared with the city or the state as a whole);
- Approximately 80% of the owner-occupied housing units in Danville are valued at \$149,999 or less.
- Approximately 80% of renters in Danville pay \$300 - \$999 per month in rent.
- At least one-third of the residents of the study area have no vehicle.



2008-2012 Census Statistics	Danville	Census Tract 6	Census Tract 5
<i>Demographic Characteristics</i>			
Population	43,185	3,079	1,718
Median Age	42.7	33.5	40.3
<i>Economic & Social Characteristics</i>			
Median Household Income	\$ 30,505	\$ 20,774	\$ 13,896
% in Labor Force	56.6%	57.6%	40.7%
% Unemployment	15.5%	32.6%	14.9%
Lived in same unit 1 year ago	81.8%	73.9%	71.2%
<i>Housing</i>			
Housing Units Built Before 1939	19.6%	53.2%	49.4%
Median Housing Value	\$ 89,500	\$ 74,900	\$ 53,900
Housing Value < \$149,000 Owner-Occupied	78.2%	82.6%	88.6%
Owner-occupied Units	54.2%	34%	19.5%
Renter-occupied Units	45.8%	66%	80.5%
Housing Vacancy Rate	15.6%	21.3%	15.5%
No Vehicles Available	16.6%	32.1%	36.8%
<i>Source: US Census Bureau, American Community Survey, 2008-2012</i>			

Comparative Housing Analysis

In addition to looking at demographic and economic trends, the project team looked at homes sold in Danville and in the Old West End within the past five years, as well as homes that were on the market for sale (including new home construction in the City and suburban Pittsylvania County). This information was used to determine comparable housing values, market sales, and renovation costs for similar historic properties.

- Approximately 80% of the owner-occupied housing units in Danville are valued at \$149,999 or less.
- Historic homes recently renovated in Old West End similar in size and design characteristics to those in the study area ranged between \$40-60 per square foot. The average was \$53 per square foot. (Note: Some of the comparable renovated homes were properties along “Millionaires’ Row” which could be inflating the averages in this table because of the attractiveness of their location along historically prestigious Main Street.)



- Many of the non-renovated homes within the study area are selling for less than \$10.00 per square foot.
- New homes constructed in the suburbs of Danville cost significantly more than a renovated home in our study area (upwards of \$150 per square foot).
- Thus, using the comparable housing average of \$53 per square foot and taking into consideration that many of the renovated homes were located along Millionaires Row, we used **\$50 per square foot as our “market value price point.”** This value serves as an estimate of the reasonable market value after rehabilitation for construction done as part of the Pine / Jefferson Development Initiative.

Housing Property Assessments + Costs for Rehabilitation

In October 2013, a project team reviewed multiple vacant properties on Pine Street, Jefferson Street, and Five Forks Commercial Area, as well as two additional properties on North Floyd Street (in Mechanicsville Historic District). The team assessed exterior conditions and interior conditions, if the building was accessible, to determine approximate costs for building rehabilitation. These **Property Assessments** are included in the appendix to this report and include information on the property (general building data and floor plan, assessed value, ownership, description of architectural details, summary of major work items, a detailed description of rehabilitation work needs, projected cost estimates, and pictures documenting conditions).

In order to evaluate properties for rehabilitation as a group, the team developed a **Pine / Jefferson / Five Forks Revitalization Initiative Summary Table** (next page) that lists property address, use, square footage, assessed value, and costs estimates for hard (rehabilitation) /soft (design and administrative) costs.

- Using the **target \$50 per square foot market value price point** as a guide, the team applied various forms of financial assistance to achieve a reasonable debt and monthly mortgage.
- The evaluation included consideration of financial assistance methods such as use of **Historic Tax Credits, New Market Tax Credits** (for commercial mixed-use properties), and loan packaging and incentive programs (to be crafted by project and financial partners).
- The summary table shows that of the vacant properties on Pine Street, rehabilitation costs after use of Historic Tax Credits range from \$89,432 to \$452,500 (this high value is for conversion of a multi-family building to single-family); most vacant properties can be rehabilitated using tax credits and minor incentives for less than \$200,000.

Pine / Jefferson / Five Forks Revitalization Initiative Summary
Danville, VA

Address	Interior Access	Vacant / Occupied	Current Use	Proposed Use ¹	Square Footage	Assessed Value ²	Visible Items ³	Projected Items ⁴	Total Hard Costs ⁵	Soft Costs ⁶	Total Costs	Historic Tax Credits (F+S) ⁷	Historic Tax Credits (S)	New Market Tax Credits ⁸	Other Assistance ⁹	Cost To Owner ¹⁰ (w/ S TC)	Cost To Owner ¹¹ (w/F+S TC)	Cost / Sq.Ft.	Monthly Cost ¹²	Payment/Unit / Month ¹³	Notes
Residential																					
125 - 127 Chestnut Street	No	Occupied	Multi-Family (4+)	Multi-Family	4,030	\$ 38,600	\$ 22,261	\$ 20,000	\$ 42,261	\$ 20,215	\$ 101,076	\$ 20,617	\$ 15,619		\$ 10,000	\$ 75,457	\$ 70,459	\$ 17	\$ 349	\$ 87	4.3% Loan, 30 year note + Other Assistance
401 - 411 Floyd Street	Yes	Vacant	Duplexes	Duplexes	4,528	\$ 13,500	\$ 297,093		\$ 297,093	\$ 77,648	\$ 388,241	\$ 123,665	\$ 93,685		\$ 10,000	\$ 284,556	\$ 254,577	\$ 56	\$ 1,259	\$ 630	4.3% Loan, 30 year note + Other Assistance
208 Jefferson Avenue	Yes	Vacant	Multi-Family (3)	Single Family	4,326	\$ 30,100	\$ 305,251		\$ 305,251	\$ 83,838	\$ 419,189	\$ 128,399	\$ 97,272		\$ 10,000	\$ 311,917	\$ 280,789	\$ 65	\$ 1,389	\$ 1,389	4.3% Loan, 30 year note + Other Assistance
215 Jefferson Avenue	No	Vacant	Single Family	Single Family	1,796	\$ 11,300	\$ 60,960	\$ 100,000	\$ 160,960	\$ 43,065	\$ 215,325	\$ 67,328	\$ 51,006		\$ 10,000	\$ 154,319	\$ 137,997	\$ 77	\$ 683	\$ 683	4.3% Loan, 30 year note + Other Assistance
225 Jefferson Avenue	Yes	Vacant	Duplex	Duplex	5,404	\$ 23,100	\$ 501,024		\$ 501,024	\$ 131,031	\$ 655,155	\$ 208,578	\$ 158,014		\$ 10,000	\$ 487,141	\$ 436,577	\$ 81	\$ 2,160	\$ 1,080	4.3% Loan, 30 year note + Other Assistance
226 Jefferson Avenue	Yes	Vacant	Multi-Family (3)	Multi-Family	2,732	\$ 35,700	\$ 35,700		\$ 35,700	\$ 17,850	\$ 89,250	\$ 17,672	\$ 13,388		\$ 10,000	\$ 65,863	\$ 61,579	\$ 23	\$ 305	\$ 102	4.3% Loan, 30 year note + Other Assistance
233 Jefferson Avenue	Yes	Vacant	Single Family	Single Family	2,328	\$ 8,500	\$ 177,414		\$ 177,414	\$ 46,479	\$ 232,393	\$ 73,885	\$ 55,973		\$ 10,000	\$ 166,419	\$ 148,508	\$ 64	\$ 735	\$ 735	4.3% Loan, 30 year note + Other Assistance
814 - 816 Pine Street	No	Occupied	Duplex	Duplex	3,157	\$ 22,700	\$ 86,105	\$ 100,000	\$ 186,105	\$ 52,201	\$ 261,006	\$ 78,641	\$ 59,577		\$ 10,000	\$ 191,430	\$ 172,365	\$ 55	\$ 853	\$ 426	4.3% Loan, 30 year note + Other Assistance
815 Pine Street	No	Vacant	Single Family	Single Family	2,527	\$ 5,700	\$ 57,592	\$ 100,000	\$ 157,592	\$ 40,823	\$ 204,115	\$ 65,477	\$ 49,604		\$ 10,000	\$ 144,511	\$ 128,638	\$ 51	\$ 636	\$ 636	4.3% Loan, 30 year note + Other Assistance
817 Pine Street	Yes	Vacant	Single Family	Single Family	1,496	\$ 26,700	\$ 115,464		\$ 115,464	\$ 35,541	\$ 177,705	\$ 49,832	\$ 37,751		\$ 10,000	\$ 129,954	\$ 117,873	\$ 79	\$ 583	\$ 583	4.3% Loan, 30 year note + Other Assistance
818 Pine Street	No	Occupied	Single Family	Single Family	1,707	\$ 14,500	\$ 32,505	\$ 70,000	\$ 102,505	\$ 29,251	\$ 146,256	\$ 43,480	\$ 32,939		\$ 10,000	\$ 103,317	\$ 92,777	\$ 54	\$ 459	\$ 459	4.3% Loan, 30 year note + Other Assistance
819 Pine Street	Yes	Vacant	Single Family	Single Family	1,522	\$ 19,300	\$ 91,820		\$ 91,820	\$ 27,780	\$ 138,900	\$ 39,468	\$ 29,900		\$ 10,000	\$ 99,000	\$ 89,432	\$ 59	\$ 442	\$ 442	4.3% Loan, 30 year note + Other Assistance
820 Pine Street	No	Occupied	Single Family	Single Family	3,474	\$ 34,000	\$ 85,273	\$ 100,000	\$ 185,273	\$ 54,818	\$ 274,091	\$ 79,230	\$ 60,023		\$ 10,000	\$ 204,068	\$ 184,861	\$ 53	\$ 915	\$ 915	4.3% Loan, 30 year note + Other Assistance
830 Pine Street	No	Occupied	Single Family	Single Family	2,805	\$ 50,200	\$ 27,369	\$ 70,000	\$ 97,369	\$ 36,892	\$ 184,461	\$ 44,306	\$ 33,565		\$ 10,000	\$ 140,896	\$ 130,155	\$ 46	\$ 644	\$ 644	4.3% Loan, 30 year note + Other Assistance
832 Pine Street	No	Occupied	Single Family	Single Family	2,264	\$ 32,800	\$ 4,782	\$ 5,000	\$ 9,782	\$ 10,646	\$ 53,228	\$ 6,741	\$ 5,107		\$ 10,000	\$ 38,121	\$ 36,486	\$ 16	\$ 180	\$ 180	4.3% Loan, 30 year note + Other Assistance
835 Pine Street	No	Occupied	Single Family	Single Family	1,544	\$ 14,000	\$ 4,473	\$ 70,000	\$ 74,473	\$ 22,118	\$ 110,591	\$ 31,875	\$ 24,148		\$ 10,000	\$ 76,443	\$ 68,716	\$ 45	\$ 340	\$ 340	4.3% Loan, 30 year note + Other Assistance
841 Pine Street	Yes	Vacant	Single Family	Single Family	1,433	\$ 11,900	\$ 198,396		\$ 198,396	\$ 52,574	\$ 262,870	\$ 82,820	\$ 62,743		\$ 10,000	\$ 190,128	\$ 170,050	\$ 119	\$ 841	\$ 841	4.3% Loan, 30 year note + Other Assistance
843 Pine Street	No	Occupied	Single Family	Single Family	1,738	\$ 15,500	\$ 5,154	\$ 70,000	\$ 75,154	\$ 22,664	\$ 113,318	\$ 32,280	\$ 24,454		\$ 10,000	\$ 78,863	\$ 71,038	\$ 41	\$ 351	\$ 351	4.3% Loan, 30 year note + Other Assistance
844 Pine Street	No	Occupied	Multi-Family (3)	Single Family	2,772	\$ 20,900	\$ 15,555	\$ 5,000	\$ 20,555	\$ 10,364	\$ 51,819	\$ 10,203	\$ 7,730		\$ 10,000	\$ 34,089	\$ 31,616	\$ 11	\$ 156	\$ 156	4.3% Loan, 30 year note + Other Assistance
845 Pine Street	Yes	Vacant	Multi-Family (4+)	Single Family	1,554	\$ 7,400	\$ 200,958		\$ 200,958	\$ 52,090	\$ 260,448	\$ 83,506	\$ 63,262		\$ 10,000	\$ 187,186	\$ 166,942	\$ 107	\$ 826	\$ 826	4.3% Loan, 30 year note + Other Assistance
846 Pine Street	No	Vacant	Single Family	Single Family	1,620	\$ 5,600	\$ 82,901	\$ 100,000	\$ 182,901	\$ 47,125	\$ 235,626	\$ 75,909	\$ 57,507		\$ 10,000	\$ 168,120	\$ 149,718	\$ 92	\$ 741	\$ 741	4.3% Loan, 30 year note + Other Assistance
847 Pine Street	No	Occupied	Single Family	Single Family	1,050	\$ 10,900	\$ 21,492	\$ 70,000	\$ 91,492	\$ 25,598	\$ 127,990	\$ 38,640	\$ 29,273		\$ 10,000	\$ 88,718	\$ 79,350	\$ 76	\$ 393	\$ 393	4.3% Loan, 30 year note + Other Assistance
850 Pine Street	No	Occupied	Multi-Family (4+)	Single Family	2,164	\$ 22,600	\$ 65,114	\$ 150,000	\$ 215,114	\$ 59,429	\$ 297,143	\$ 90,599	\$ 68,636		\$ 10,000	\$ 218,507	\$ 196,543	\$ 91	\$ 972	\$ 972	4.3% Loan, 30 year note + Other Assistance
855 Pine Street	Yes	Vacant	Multi-Family (3)	Single Family	1,750	\$ 22,500	\$ 182,274		\$ 182,274	\$ 51,194	\$ 255,968	\$ 77,044	\$ 58,367		\$ 10,000	\$ 187,601	\$ 168,923	\$ 97	\$ 836	\$ 836	4.3% Loan, 30 year note + Other Assistance
858 Pine Street	No	Occupied	Duplex	Single Family	2,954	\$ 17,700	\$ 60,741	\$ 150,000	\$ 210,741	\$ 57,110	\$ 285,551	\$ 88,391	\$ 66,963		\$ 10,000	\$ 208,588	\$ 187,160	\$ 63	\$ 926	\$ 926	4.3% Loan, 30 year note + Other Assistance
861 Pine Street	Yes	Vacant	Duplex	Single Family	2,011	\$ 19,200	\$ 169,857		\$ 169,857	\$ 47,264	\$ 236,321	\$ 71,650	\$ 54,280		\$ 10,000	\$ 172,041	\$ 154,671	\$ 77	\$ 765	\$ 765	4.3% Loan, 30 year note + Other Assistance
864 Pine Street	Yes	Vacant	Multi-Family (4+)	Single Family	1,960	\$ 7,700	\$ 541,505		\$ 541,505	\$ 137,301	\$ 686,506	\$ 224,006	\$ 169,702		\$ 10,000	\$ 506,805	\$ 452,500	\$ 231	\$ 2,239	\$ 2,239	4.3% Loan, 30 year note + Other Assistance
870 Pine Street	No	Vacant	Multi-Family (4+)	Single Family	3,404	\$ 32,200	\$ 60,637	\$ 200,000	\$ 260,637	\$ 73,209	\$ 366,046	\$ 110,169	\$ 83,462		\$ 10,000	\$ 272,585	\$ 245,877	\$ 72	\$ 1,216	\$ 1,216	4.3% Loan, 30 year note + Other Assistance
871 Pine Street	No	Vacant	Multi-Family (4+)	Single Family	2,758	\$ 10,700	\$ 88,120	\$ 200,000	\$ 288,120	\$ 74,705	\$ 373,525	\$ 119,732	\$ 90,706		\$ 10,000	\$ 272,819	\$ 243,793	\$ 88	\$ 1,206	\$ 1,206	4.3% Loan, 30 year note + Other Assistance
876 Pine Street	Yes	Vacant	Single Family	Single Family	2,980	\$ 17,600	\$ 294,148		\$ 294,148	\$ 77,937	\$ 389,685	\$ 122,788	\$ 93,021		\$ 10,000	\$ 286,664	\$ 256,897	\$ 86	\$ 1,271	\$ 1,271	4.3% Loan, 30 year note + Other Assistance
879 Pine Street	No	Occupied	Duplex	Single Family	2,456	\$ 38,600	\$ 30,645	\$ 10,000	\$ 40,645	\$ 19,811	\$ 99,056	\$ 19,951	\$ 15,114		\$ 10,000	\$ 73,942	\$ 69,106	\$ 28	\$ 342	\$ 342	4.3% Loan, 30 year note + Other Assistance
880 - 882 Pine Street	No	Occupied	Duplex	Duplex	2,962	\$ 34,800	\$ 14,076	\$ 5,000	\$ 19,076	\$ 13,469	\$ 67,345	\$ 10,740	\$ 8,136		\$ 10,000	\$ 49,209	\$ 46,605	\$ 16	\$ 231	\$ 115	4.3% Loan, 30 year note + Other Assistance
887 - 889 Pine Street	No	Occupied	Duplex	Duplex	1,890	\$ 27,900	\$ 7,659	\$ 5,000	\$ 12,659	\$ 10,140	\$ 50,699	\$ 7,524	\$ 5,700		\$ 10,000	\$ 34,999	\$ 33,175	\$ 18	\$ 164	\$ 82	4.3% Loan, 30 year note + Other Assistance
888 Pine Street	No	Occupied	Multi-Family (3)	Multi-Family	4,109	\$ 42,400	\$ 98,852	\$ 5,000	\$ 103,852	\$ 36,563	\$ 182,815	\$ 46,337	\$ 35,104		\$ 10,000	\$ 137,711	\$ 126,478	\$ 31	\$ 626	\$ 209	4.3% Loan, 30 year note + Other Assistance
893 Pine Street	No	Occupied	Single Family	Single Family	2,338	\$ 23,900	\$ 3,588	\$ 5,000	\$ 8,588	\$ 8,122	\$ 40,610	\$ 5,514	\$ 4,178		\$ 10,000	\$ 26,433	\$ 25,096	\$ 11	\$ 124	\$ 124	4.3% Loan, 30 year note + Other Assistance
895 Pine Street	No	Occupied	Duplex	Duplex	3,180	\$ 66,500	\$ 74,367	\$ 5,000	\$ 79,367	\$ 36,467	\$ 182,334	\$ 38,225	\$ 28,958		\$ 10,000	\$ 143,375	\$ 134,109	\$ 42	\$ 663	\$ 332	4.3% Loan, 30 year note + Other Assistance
Five Forks Commercial or Mixed Use - Redevelopment Model																					
762 Loyal Street	No	Occupied	Storage	Loft Apts		\$ 47,200			\$ 1,316,400	\$ 329,100	\$ 1,692,700				\$ 10,000		\$ 1,682,700		\$ 8,324	\$ 1,387	4.3% Loan, 30 year note + Other Assistance
764 Loyal Street	No	Occupied	Storage	Loft Restaurant		\$ 9,200			\$ 273,250	\$ 68,313	\$ 350,763			\$ 91,654	\$ 10,000		\$ 249,108		\$ 1,232	\$ 13	Other Assistance, VA Fresh Foods Program, 4.3% Loan, 30 year note
766 Loyal Street	No	Occupied	Storage	Loft Restaurant		\$ 9,700			\$ 189,750	\$ 47,438	\$ 246,888			\$ 64,512	\$ 10,000		\$ 172,376		\$ 853	\$ 8	Other Assistance, VA Fresh Foods Program, 4.3% Loan, 30 year note
770 Loyal Street	No	Vacant	Commercial	Niche Retail		\$ 12,400			\$ 39,000	\$ 9,750	\$ 61,150			\$ 15,978	\$ 10,000		\$ 35,172		\$ 174	\$ 4	Other Assistance, VA Fresh Foods Program, 4.3% Loan, 30 year note
NEW FIVE FORKS																					
New 200 Jefferson Ave			Commercial	Mixed	16,800	\$ 26,000	\$ 119,448	\$ 105,000	\$ 2,219,596	\$ 561,399	\$2,806,995.00				\$ 733,468		\$ 2,073,527	\$ 123	\$ 10,258	\$ 7	4.3% Loan, 30 year note + Other Assistance
New Corner Bldg Jefferson			Commercial	Mixed	5,100	\$ 26,000	\$ 36,261	\$ 105,000	\$ 699,761	\$ 181,440	\$907,201.25				\$ 237,052		\$ 670,150	\$ 131	\$ 3,315	\$ 8	4.3% Loan, 30 year note + Other Assistance
New 800 Pine Street			Commercial	Mixed	4,500	\$ 26,000	\$ 31,995	\$ 105,000	\$ 620,495	\$ 161,624	\$808,118.75				\$ 211,161		\$ 596,957	\$ 133	\$ 2,953	\$ 8	4.3% Loan, 30 year note + Other Assistance
New Market Pavilion			Commercial		1,750	\$ 26,000	\$ 12,443	\$ 105,000	\$ 257,193	\$ 70,798	\$353,990.63				\$ 92,498		\$ 261,493	\$ 149	\$ 1,294	\$ 9	4.3% Loan, 30 year note + Other Assistance
Five Forks Commercial or Mixed Use - Preservation Model																					
762 Loyal Street ¹⁴	No	Occupied	Storage	Loft Apts		\$ 47,200			\$ 1,316,400	\$ 329,100	\$ 1,692,700	\$ 543,015			\$ 10,000		\$ 1,139,685		\$ 5,638	\$ 940	4.3% Loan, 30 year note + Other Assistance
764 Loyal Street ¹⁴	No	Occupied	Storage	Loft Restaurant		\$ 9,200			\$ 273,250	\$ 68,313	\$ 350,763	\$ 112,716			\$ 91,654	\$ 10,000	\$ 136,393		\$ 675	\$ 7	Other Assistance, VA Fresh Foods Program 4.3% Loan, 30 year note
766 Loyal Street ¹⁴	No	Occupied	Storage	Loft Restaurant		\$ 9,700			\$ 189,750	\$ 47,438	\$ 246,888	\$ 78,272			\$ 64,512	\$ 10,000	\$ 94,104		\$ 466	\$ 4	Other Assistance, VA Fresh Foods Program 4.3% Loan, 30 year note
77																					



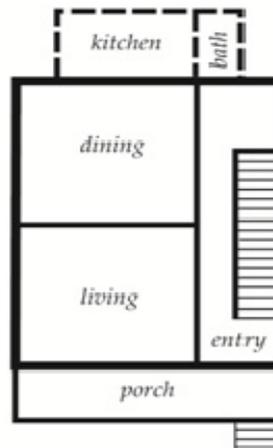
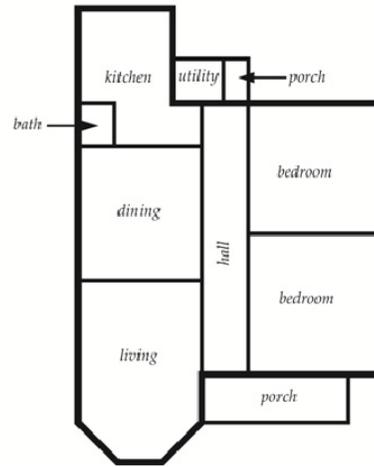
- Of special note is that the use of **Historic Tax Credits are critical to the project and can represent up to 45% of the rehabilitation costs** (using both Federal and State Programs) for income producing properties. The Virginia Historic Tax Credit can provide up to 25% savings for either income producing or private residential properties. Note that if Federal tax credit benefits are used for single-family home rehabilitation, the property must be held as revenue producing for a period of at least five years. Alternatively, an outright purchase of a property by a homeowner wishing to take advantage of only the 25% State Historic Tax Credit must be able to undertake a “substantial rehabilitation” and invest 50% or more of the purchase price and any prior capital improvements.
- A **Matrix of Rehabilitation Financial Assistance Programs** is included in the appendix. Successful implementation of the Pine / Jefferson / Five Forks Development Initiative will require coordinated, complementary programs from multiple financial partners (e.g., Danville Redevelopment and Housing Authority, Virginia Housing Development Authority [VHDA], Virginia Community Development Corporation [VCDC], Virginia Department of Housing and Community Development [DHCD], financial institutions, and others. In addition, programs will be needed to assist existing homeowners with rehabilitation and stabilization needs.

In addition to financial partners and programs for project success, a strong **Project Marketing and Purchaser Outreach Program** will be essential for neighborhood revitalization. Our project team has several recommendations:

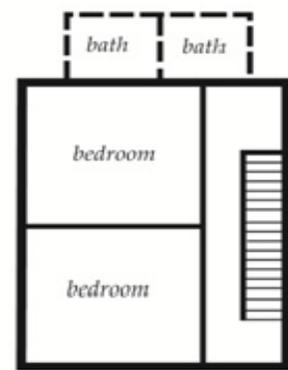
- Develop a **Marketing Portfolio** for distribution and sales purposes that provides an overview of the new Pine / Jefferson / Five Forks Neighborhood with illustrated examples of the distinctive homes and their architecture, examples of a model floor plan, financial packaging offerings, etc. Use the materials to market the revitalization effort like you would an up and coming resort development.
- Establish a **Neighborhood Sales Office** as a point of contact with a designated sales representative on-site, perhaps on Pine Street or in the Five Forks Commercial District. The representative must be passionate about marketing and selling historic real estate and be familiar with project, financial programs, resources, etc.
- Establish an **Architectural Materials Salvage Depot** for the protected storage and recycling of historic architectural materials. This small business could be of much value to neighborhood stabilization projects, providing property owners and developers with access to appropriate replacement materials. It could be on or off site.



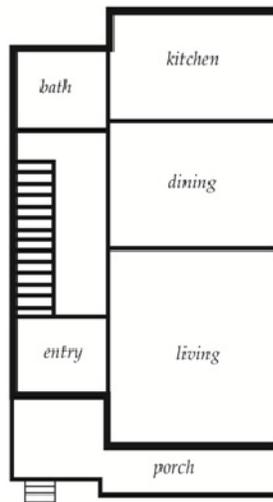
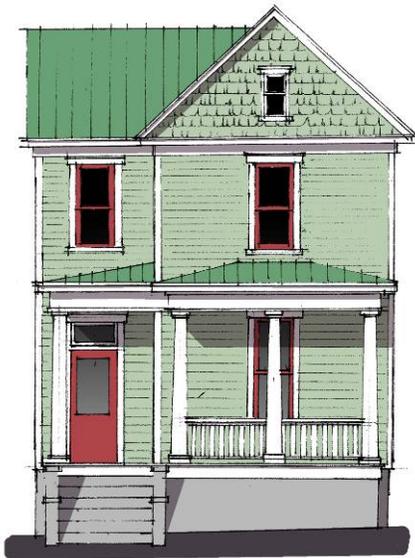
Example Marketing Materials



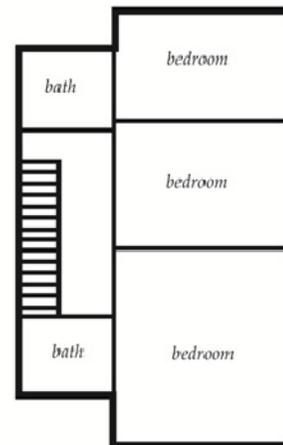
First Floor



Second Floor



First Floor

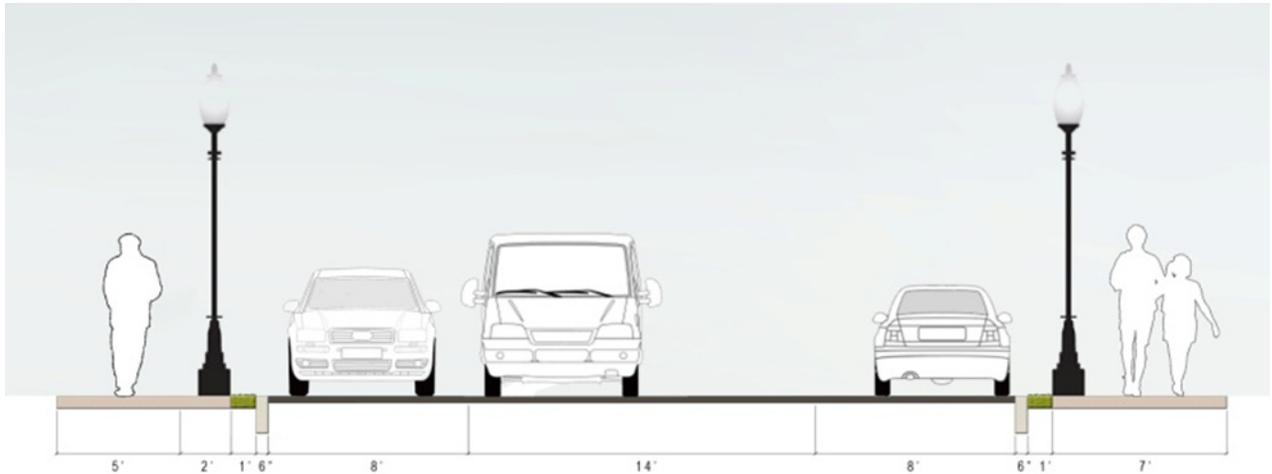


Second Floor

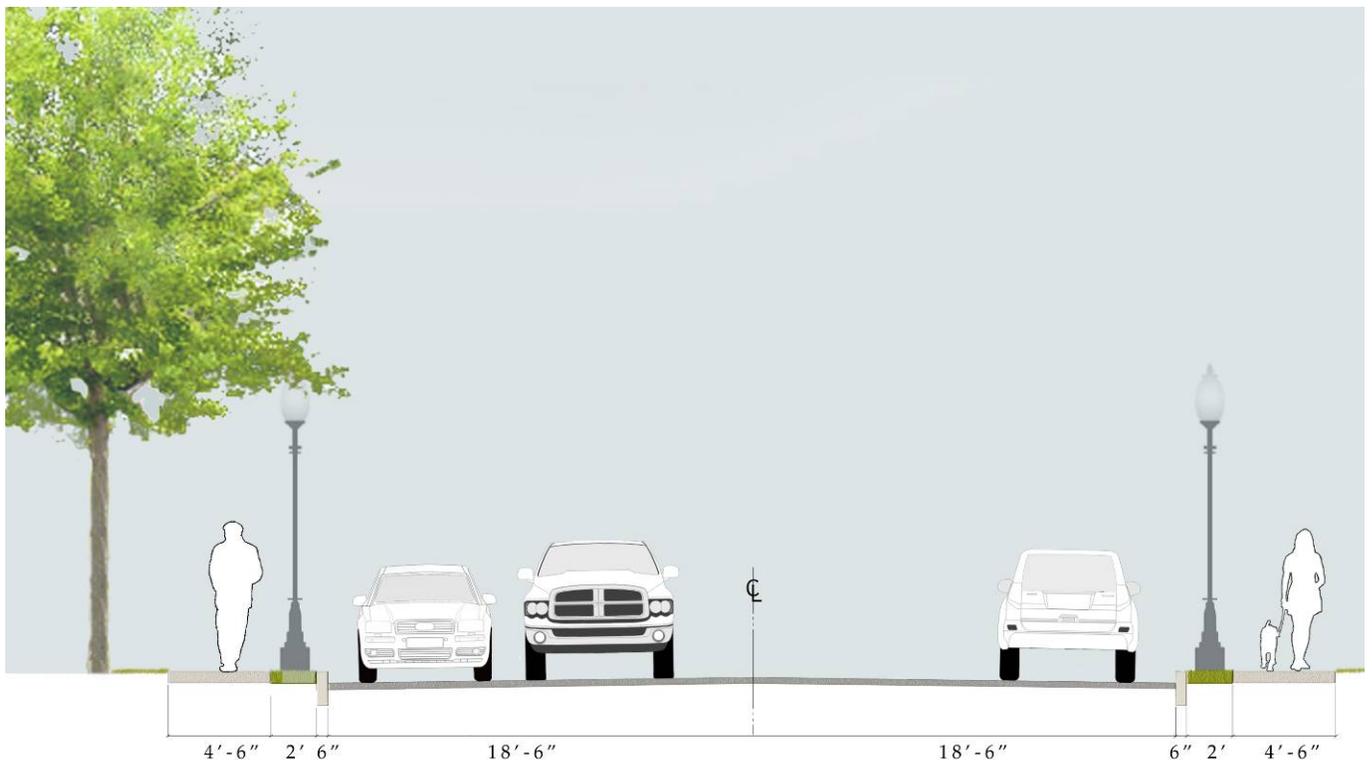


Neighborhood Public Improvements

The rehabilitation of the historic houses on Pine Street and Jefferson Avenue are key revitalization initiatives that must be reinforced through additional public improvements along neighborhood streets and enhanced neighborhood open spaces. Pine Street and Jefferson Avenue have existing sidewalks that could be enhanced with decorative period streetlights, and additional street trees in private yards.



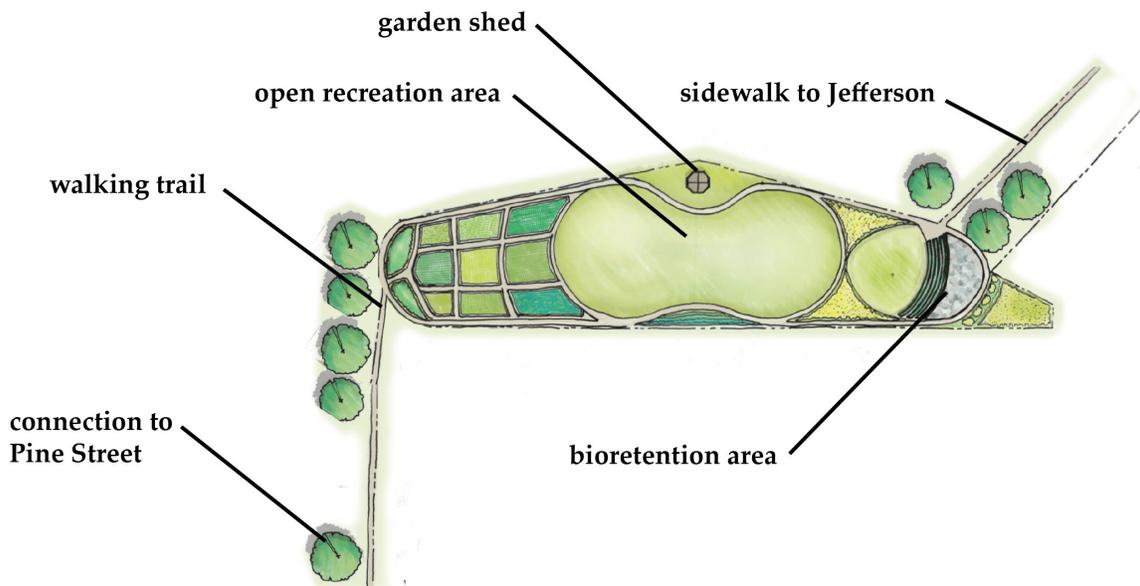
Pine Street Improvements - Decorative Streetlights



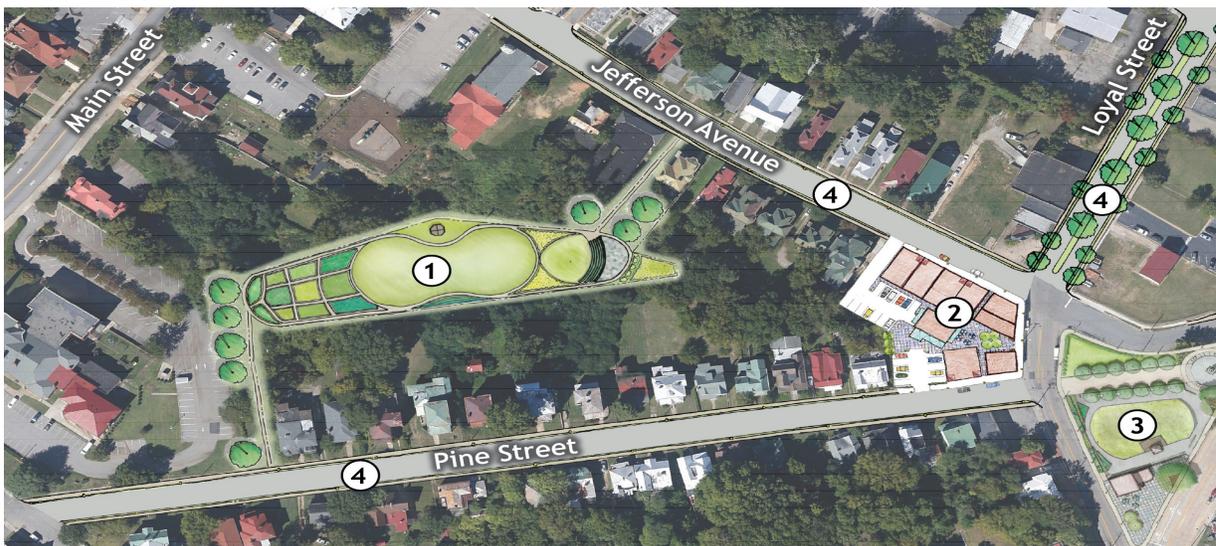
Jefferson Avenue Improvements – Decorative streetlights and Street Trees in Private Yards



Three properties comprise a large open area between both streets that is overgrown and unsightly. To reduce the blighting influence of this visible and influencing common space, the project team recommends acquisition of the open space for community recreation and gardens, including development of a walking trail that connects Pine Street to Jefferson Street. The gardens can assist in managing stormwater and providing attractive spaces for community landscaping and even urban farming plots. With the proximity of the churches in the area, these spaces could become great community picnic and event areas.



Community Recreation Open Space and Gardens between Pine Street and Jefferson Avenue





Summary of Five Forks Development Initiative

The Five Forks Commercial District offers a unique development opportunity for a neighborhood business center that is easily accessible to residents, as well as convenient to others. As a revitalized community anchor and neighborhood gateway, Five Forks can become a destination for support business services and provide a welcoming neighborhood entrance and strengthened connection to the larger Old West End District and the renewed Tobacco Warehouse District. The following paragraphs discuss the *Five Forks Development Initiative* which is illustrated as a Concept Plan on the next page.

Five Forks Commercial District

The Five Forks Business Commercial District has a long history in Danville as a neighborhood commercial area. Many of the existing buildings date from the turn of the century to the 1930s, and most have been modified significantly over the years. To further improve development opportunities that enhance the historic district and new business investment, the project team recommends that an updated historic district survey be pursued to (1) amend the period of significance for the historic district (to pre-World War II) and, (2) expand the boundaries of the district to include additional period commercial buildings in the immediate area.

Although the Five Forks properties between Pine Street and Jefferson Avenue lie within the Danville National Register Historic District (Old West End), several are listed as non-contributing and others have been architecturally altered. Unlike the Pine / Jefferson Development Initiative which recommends use of historic tax credits for rehabilitation on the houses, the buildings at Five Forks have deteriorated significantly due to water infiltration from improper roof construction and drainage. The current configuration of the complex, with the connected buildings and rooflines, is flawed in its design and has caused continuing deterioration due to water infiltration. This condition will be very difficult to repair and maintain in a sustainable manner that will protect the buildings from future water infiltration. Team re-inspection in May 2014 concluded that demolition of most of the block was the most reasonable economic and feasible alternative followed by new construction to complement the historic district in location, mass, scale, and architectural features. Only one corner building (406 Jefferson Street) appears to be of exterior integrity to be considered for rehabilitation using historic tax credits. Other factors that the team considered were:

- The current 1950s PermaStone appearance is not compatible with the historic materials used in the neighborhood and the building will not be considered contributing to the district once the period of significance is updated to end in 1940.



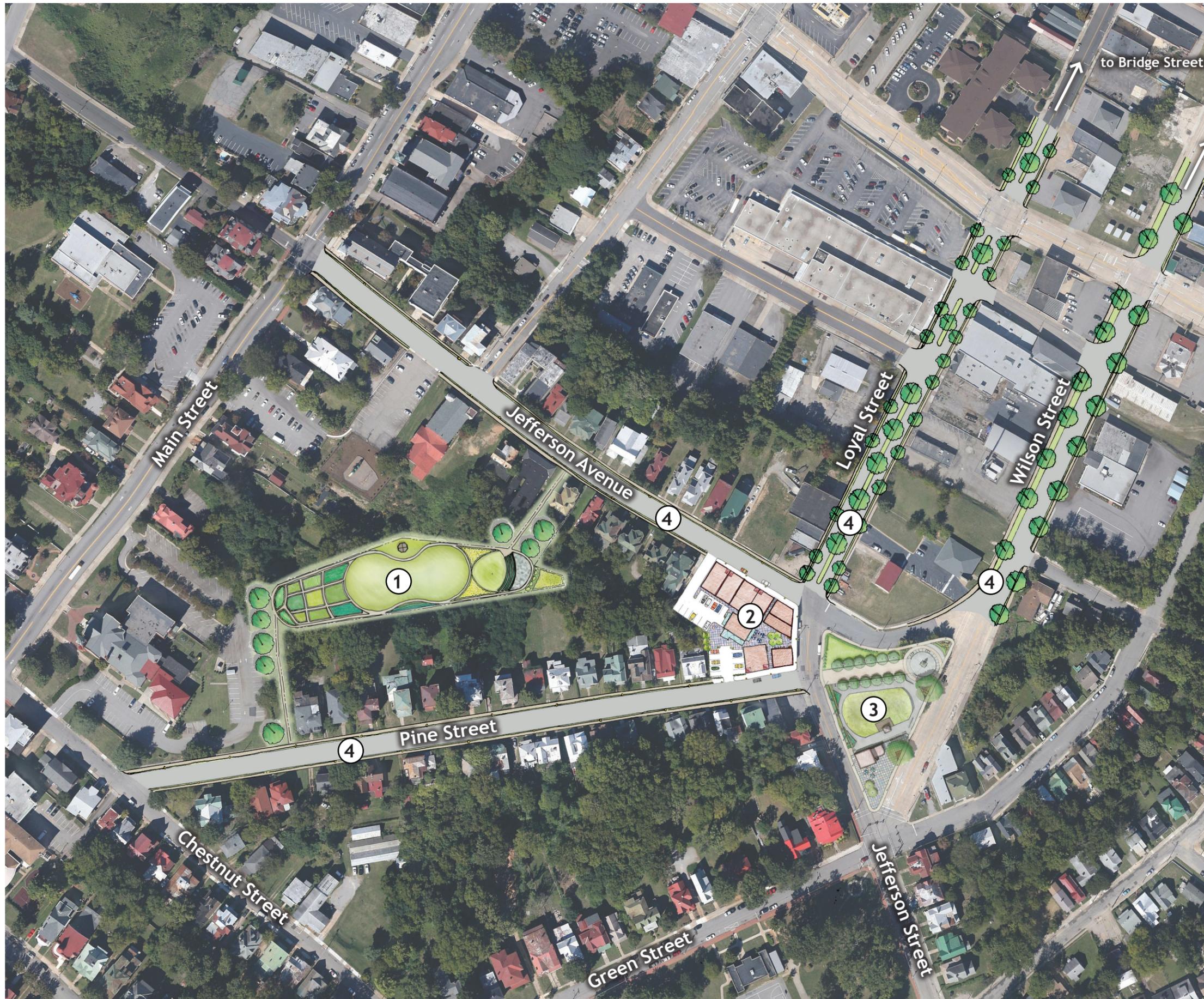
- Any potential for using historic tax credits would be dependent on the ability to successfully remove the PermaStone and the survival of enough physical integrity to return the corner building at 254 Jefferson Street to contributing status based on the historic photograph. The financial and physical feasibility of accomplishing this cannot be known until the work is actually undertaken and involves great financial risk to the owner. In addition, the water infiltration damage has increased in recent months; the condition of the building in May 2014 shows substantial water infiltration and interior deterioration.
- The character-defining architectural features and materials of the structures are very limited on both the exterior and the interior of the buildings due to modifications. In addition, the existing floor plan would limit future use of the space.
- It is unlikely that the expense and effort to preserve the building, estimated at \$300/square foot, would result in a final product that is worth the investment.

Thus, based on our most recent inspection of the Five Forks Buildings, the project team identified a mixed-use development scenario that would re-build the Five Forks Commercial District in a manner that complemented the historic district architecturally and provided new neighborhood business and upper-story residential opportunities. This scenario follows the Concept Plan and proposes several different land uses for consideration: live/work spaces, loft apartments, neighborhood farmers' market pavilion, restaurant(s), and neighborhood design and sales center - all surrounding an outdoor courtyard for dining or events.

Pine Street/Five Forks

Revitalization Concept Plan

Danville, Virginia
May 2014



- ① Greenspace and Recreation Trail
- ② Five Forks Mixed Use Space
- ③ Neighborhood Gateway
- ④ Streetscape Improvements:

Jefferson Avenue

- sidewalk improvements with grass verge
- lighting
- organized parking

Pine Street

- sidewalks with grass verge
- yield street with parking

Loyal Street

- planted median and verge with trees
- delineated on-street parking
- pedestrian improvements
- lighting

Wilson Street

- extended greenway (north side)
- planted verge/street trees
- delineated parking

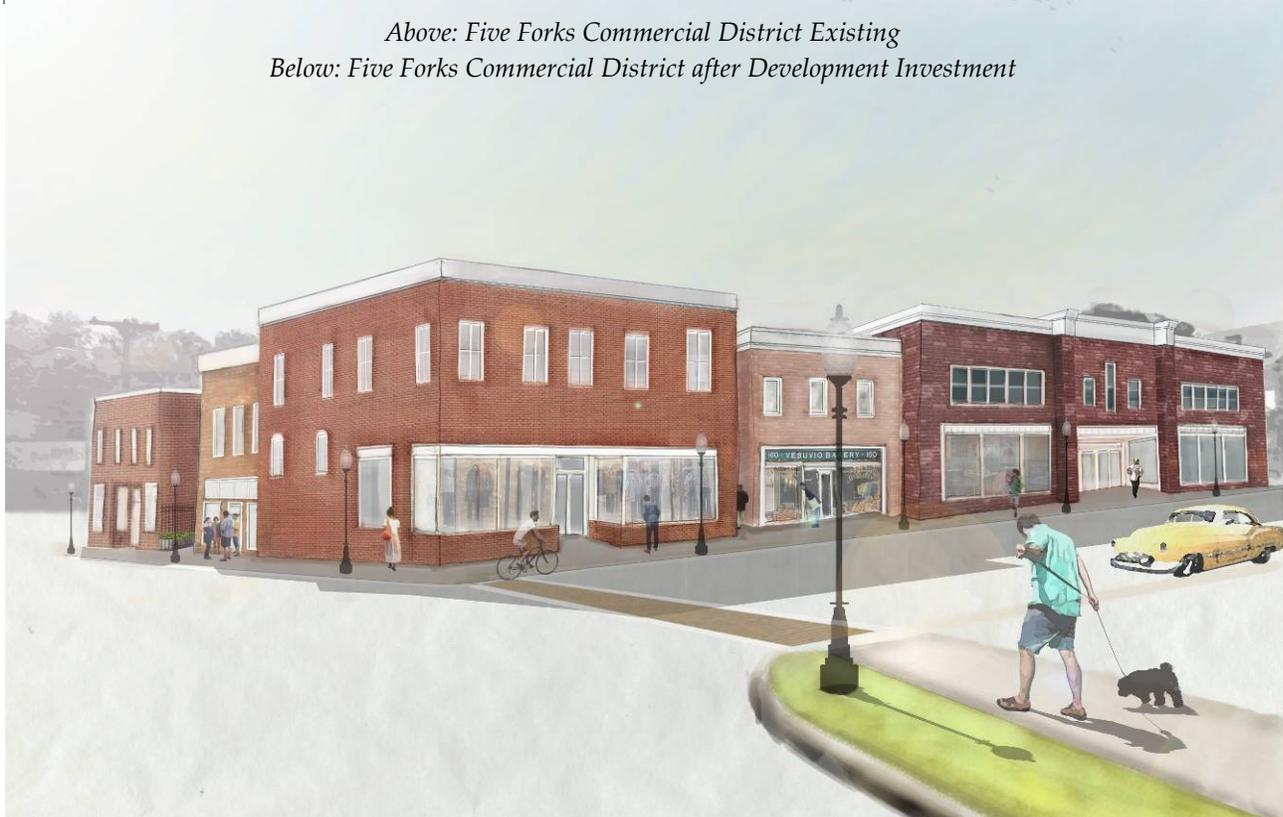
PINE / JEFFERSON / FIVE FORKS DEVELOPMENT INITIATIVE
OLD WEST END REVITALIZATION STRATEGY



PINE / JEFFERSON / FIVE FORKS DEVELOPMENT INITIATIVE
OLD WEST END REVITALIZATION STRATEGY



*Above: Five Forks Commercial District Existing
Below: Five Forks Commercial District after Development Investment*



PINE / JEFFERSON / FIVE FORKS DEVELOPMENT INITIATIVE
OLD WEST END REVITALIZATION STRATEGY



Above: Jefferson Street Existing
Below: Jefferson Street after Development Investment



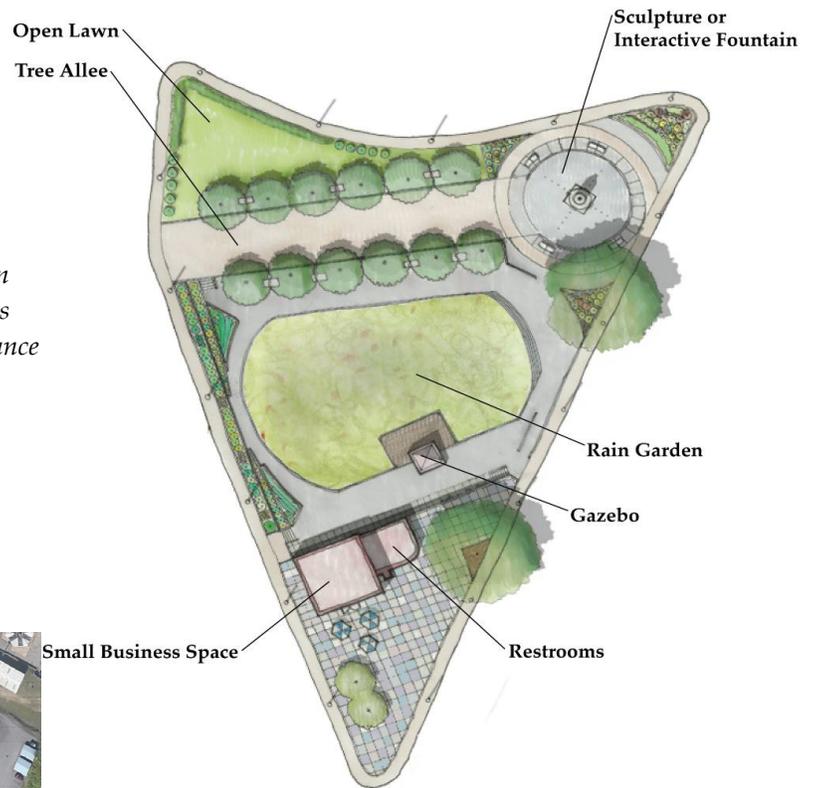


Five Forks Gateway

An attractive gateway is very important in forming a positive perception of the neighborhood for residents and visitors. The community must appear and feel safe and desirable for families. Five Forks is positioned well within the Old West End Neighborhood, the Tobacco Warehouse District and the Dan River. Underutilized properties and problem land uses that invite conflict need positive changes that will encourage investment. A new *Five Forks Gateway* is shown below to replace the existing underutilized land triangle east of Pine Street. The gateway provides an improved visual and landscaped entrance into the community and as a destination for neighborhood residents for special activities, events, or even a small business opportunity.

Five Forks Gateway

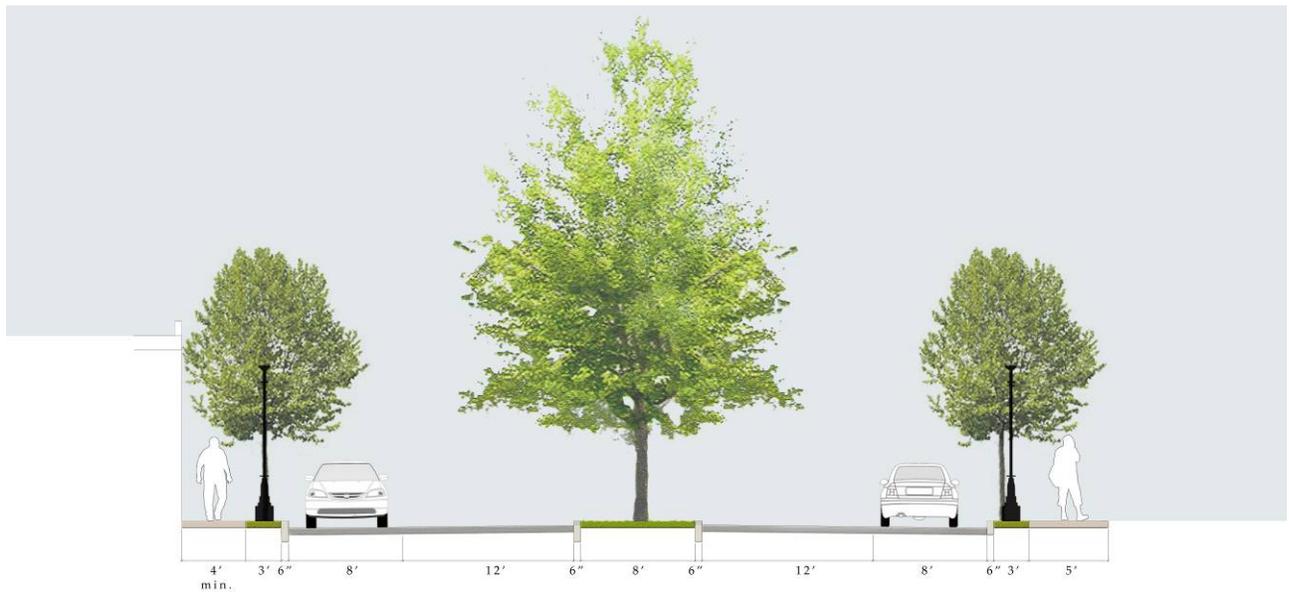
Concept Plan shows landscaped gateway within triangle between Loyal and Wilson Streets. This triangle provides an attractive neighborhood entrance and helps to link Five Forks with the Tobacco Warehouse District.



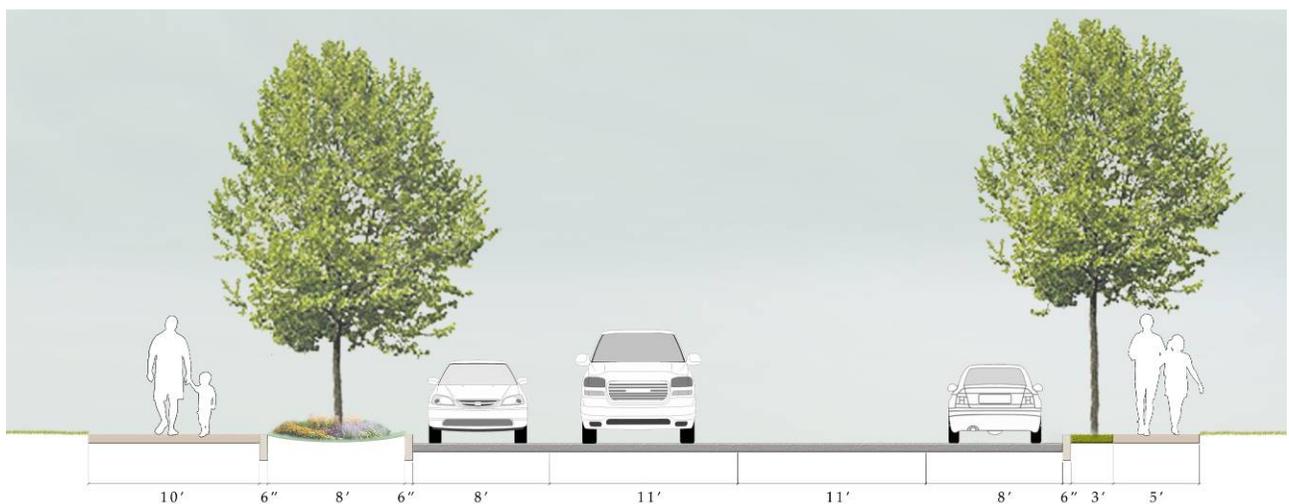


Five Forks Street Improvements

Loyal Street and Wilson Street provide important connections to the Tobacco Warehouse District where there has been substantial community redevelopment and investment. These streets can be made more attractive and functional by investing in reduced street pavement, improved sidewalks, street trees, and decorative lighting. In particular, the expansive width of Loyal Street offers an opportunity to develop a landscaped median that can strengthen the entrance into the Tobacco Warehouse District from Five Forks.



Loyal Street Improvements – Landscaped Median, Sidewalks, Decorative Streetlights and Reduced Pavement



Wilson Street Improvements – Street Trees, Sidewalks, and Reduced Pavement



Implementation Strategy

The successful revitalization of Old West End can be influenced substantially by implementation of the Pine / Jefferson / Five Forks Development Initiative. The following strategy is recommended to implement this special project.

Action Item	Responsible Party/Partners
Priority Structures for Rehabilitation	
1. Review and assess project information to date and other relevant information to <u>determine priority structures on Pine Street</u> for acquisition and rehabilitation. (Recognize importance of undertaking efforts as a critical mass for maximum effect.)	<ul style="list-style-type: none"> • City of Danville • Danville Redevelopment & Housing Authority
2. Concurrently with Pine / Jefferson Development Initiative, <u>pursue Five Forks Development Initiative</u> as a supporting neighborhood business center. (a) Environment assessment/cleanup, followed by demolition of deteriorated structures. (b) Design documents for new construction, and (c) Economic development outreach for potential entrepreneurs or investors	<ul style="list-style-type: none"> • City of Danville • Danville Redevelopment & Housing Authority • Launch Place • Chamber of Commerce • Historical Society • VA Housing & Community Development (BEE Program) • Other Investors (Historic and New Market Tax Credits)
3. As acquisition opportunities and funding permit, <u>expand acquisition and rehabilitation efforts to Jefferson Avenue.</u>	<ul style="list-style-type: none"> • City of Danville • Danville Redevelopment & Housing Authority • Other Investors
Public Spaces and Properties	
1. <u>Coordinate with applicable City Departments and Council</u> for implementation of recommended public improvements. Prioritize improvements and identify capital approaches for implementation. Streetscape, Gateway, Neighborhood Recreation/Open Space.	<ul style="list-style-type: none"> • City of Danville • VA Dept. Transportation



Action Item	Responsible Party/Partners
2. <u>Meet with neighborhood leaders and other community stakeholders</u> to share project approaches and planned public improvements.	<ul style="list-style-type: none"> • City of Danville • Neighborhood Groups • Other Interests
Financial Assistance Programs	
1. Historic Tax Credits - <u>Pursue additional historic survey</u> needed to amend period of significance for Five Forks Commercial District and expand district boundaries for other contributing commercial properties.	<ul style="list-style-type: none"> • City of Danville • VA Historic Resources • Board of Arch. Review
2. <u>Meet with applicable Financial and Community Development Financial Partners</u> to solicit participation. (a) Identify and tailor financial programs to meet project needs. (b) Consider assistance programs for existing homeowners in project area.	<ul style="list-style-type: none"> • VA Housing Dev Auth • VA Housing & Community Development • VA Community Capital Corporation • Other Investors & Developers
3. <u>Discuss project with Virginia Tobacco Indemnification</u> representatives as potential funding source for economic development investment.	<ul style="list-style-type: none"> • City of Danville • Danville Redevelopment and Housing Authority
Marketing and Outreach	
1. <u>Develop marketing and advertising strategy</u> for Pine / Jefferson / Five Forks Development Initiative. Consider marketing materials, sales office, press conferences for project start-up & milestone accomplishments. Emphasize “distinctive urban living with a yard.”	<ul style="list-style-type: none"> • City of Danville • Danville Redevelopment and Housing Authority • Realtor(s) • Historic Society
2. Pursue <u>architectural salvage depot</u> for neighborhood revitalization efforts. (a) Work with interested community partners to assist in business start-up and logistics. (b) Investigate successful models from other communities.	<ul style="list-style-type: none"> • City of Danville • Historic Society • Board of Architectural Review
3. Consider “ <u>hands-on</u> ” <u>workshops or training program for homeowners and/or contractors</u> wishing to undertake construction work on historic homes.	<ul style="list-style-type: none"> • City of Danville • Historic Interests • VA Dept. Housing & Community Dev. • Educational Institutions



Appendix:

***Real Estate Market Assessment
Matrix - Rehabilitation Financial Assistance Programs
Property Assessments and Estimated Costs***