



▲ MEZZANINE CONCEPT – WORK SHARE

Salisbury, NC

# ▲ ▲ EMPIRE HOTEL ▲ ▲

The Economic Advantage of Opportunity Zones

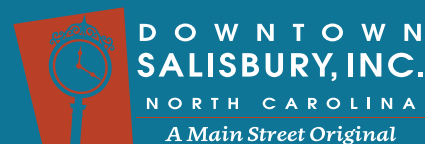
Census Tract: 37159052000



## Salisbury City Council

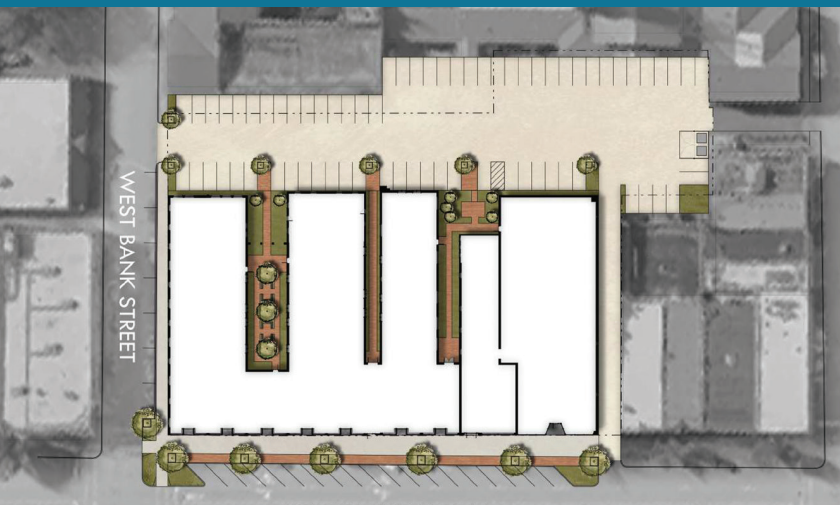
"Salisbury is a city that is ripe for investment. Having four opportunity zones makes us an ideal place for anyone wanting to invest and grow with us."

- Mayor Al Heggins



## EXECUTIVE SUMMARY

Prepared by Downtown Salisbury, Inc.  
Salisbury, N.C.  
July, 2019



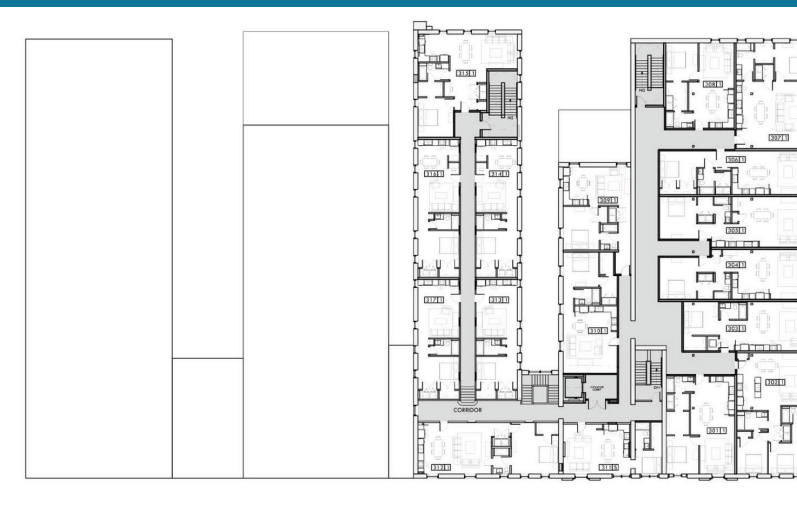
▲ SITE PLAN



▲ FIRST FLOOR PLAN



▲ SECOND FLOOR PLAN



▲ THIRD FLOOR PLAN

This almost fully-funded project is the gem of Downtown Salisbury's federally identified Opportunity Zone!

## HISTORY

A majestic, historic landmark, the Empire Hotel spans most of the 200 block of S. Main Street from W. Fisher to W. Bank Streets and will become a catalyst for future development. Attorney Nathaniel Boyden began construction on the three-story building that would become the Boyden House. Construction lasted until December 1855 and the hotel formally opened on May 17, 1859.



The property received an updated façade in 1908 and the towering twin domes were removed in 1967. Over the years, the building transferred owners to become the Davis House, the Central Hotel, and lastly, the Empire Hotel.

## CURRENT STATUS

The 104,000+ square foot hotel is located on a 1.39 acre site at 212-228 S. Main Street in Downtown Salisbury, North Carolina.

Black Point Investments, LLC has plans to redevelop the property into 62+/- market-rate apartments, 7 live/work spaces, and about 28,000 square feet of co-working/flex space in the former Montgomery Ward main floor, mezzanine, and basement areas.

The multi-year construction phase will result in an estimated \$17 to \$20 million project.



[www.EmpireSalisbury.com](http://www.EmpireSalisbury.com)

## OZ BENEFITS TO INVESTORS

- ▲ Investment funds defer federal tax gains on the sale of Real Estate, Stocks/Equities/Businesses/Other
- ▲ Investor must be placed in OZ Fund within 180 days of asset sale
- ▲ Investor Federal Tax Gain Reduced:
  - 10% after 5 years
  - 15% after 7 years
  - 100% after 10 years
- ▲ No federal taxes on the appreciation of the project after 10 years

## FUNDING SOURCES

- ▲ HUD 220 Urban Renewal and Concentrated Development Areas
- ▲ Historic Tax Credits: National Park Service Part 1 & 2
  - Federal Historic Tax Credits: \$3,454,781
  - State Historic Tax Credits: \$3,332,386
- ▲ Local Historic Landmark Status Completed
- ▲ Black Point Investments: \$302,000 and 50% of monthly mortgage
- ▲ City-backed Lease for former commercial space
- ▲ Opportunity Zone Fund: \$2.5 Million

## RIPE FOR INVESTMENT

- ▲ Renewal School District
- ▲ City-wide 10 Gbps FTTH Broadband Network
- ▲ Natural Area of Expansion
- ▲ Mid-way Between Greensboro and Charlotte, NC
- ▲ Transportation Hub, Featuring Upcoming Amtrak Expansion
- ▲ Salisbury listed as #13th Best Small Cities to start a small business (Wallet Hub, April 2019)

### Salisbury Opportunity Zones



☆ Empire Hotel

- Census Tract: 37159052000
- Census Tract: 37159050201
- Census Tract: 37159050202
- Census Tract: 37159050800

## ECONOMIC IMPACT

2019 Tax Value:  
**\$984,414**

Approximate Redevelopment Value:  
**\$17,000,000**

Total Annual Fiscal Benefits: \$103,000

Property Tax Revenue	62%
Sales Tax Revenue	31%
Other Revenue	7%

**93** TEMPORARY  
CONSTRUCTION JOBS



**62** MARKET-RATE  
APARTMENTS



**101** PERMANENT JOBS



**28,000** SQ. FT.  
COMMERCIAL



Data from City of Salisbury, DSI and DPG's Empire Hotel Redevelopment Fiscal and Economic Benefits Analysis (Feb. 2018).