



Grim Hotel

Roadmap to Redevelopment

Prepared for:
The City of Texarkana, TX

Prepared by:
Council of Development Finance Agencies

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About the Roadmap to Redevelopment

The *Roadmap to Redevelopment* is a product of the [CDFA Brownfields Technical Assistance Program](#), which is funded through a grant from the U.S. Environmental Protection Agency. The program provides technical assistance to brownfields communities on redevelopment finance. For communities that require detailed, hands-on assistance for their redevelopment efforts, CDFA Brownfields Project Response Teams comprised of CDFA staff and technical assistance partners are available to conduct site visits and provide recommendations. The goal of these visits is to offer communities specific, actionable advice that can transform brownfields into economically-productive sites in accordance with the goals and plans of the community. CDFA will coordinate 36 Brownfields Project Response Teams over the life of the program.

The *Roadmap to Redevelopment* was developed through a three-day process that included interviews with numerous stakeholders from the government, business, and non-profit sectors. The Roadmap for Redevelopment provides a framework for the redevelopment of the Grim Hotel site in Texarkana, TX.

The plan's recommendations combine the input of development finance experts, CDFA staff, and the interests of stakeholder groups gathered during the Project Response Team site visit. The plan articulates six recommendations in order to better facilitate the redevelopment of the Grim Hotel site.

- I. Revising Tax Increment Financing Zone (TIRZ) #2
- II. Supporting a Downtown Special Assessment District
- III. Improving Development-Related Communication within the City
- IV. Encouraging Public Access at the Grim Hotel
- V. Exploring New Markets Tax Credits (NMTCs)
- VI. Planning for Downtown Corridor Improvements

In accepting the CDFA Project Response Team's assistance, the City of Texarkana has committed to making best efforts to consider and implement these recommendations. Likewise, CDFA will continue to provide the City with access to brownfields resources and assistance to move the project forward.

Background & History

Built in 1925, the Grim Hotel located at 301 North Stateline Ave is a downtown landmark in Texarkana.¹The building was designed by architects George Mann and Eugene Stern and named after William Rhodes Grim, a prominent businessman in Texarkana. The hotel stands eight stories tall with 250 rooms, and was constructed at a cost of \$600,000.²

The lobby features historic architectural details including stone walls and marble flooring. The first floor housed the hotel's café, the main dining room, and the famous Palm Court. The mezzanine held a beauty parlor, a barber shop, a coffee shop, a private dining room, and a drug store. A garden adorned the rooftop of the building and functioned for many years as an events space.

The Grim Hotel was reportedly the hot spot of Texarkana in the 1930's, hosting many parties and big-name jazz bands, and was well known for having illegal card games for high rollers. The building was historically significant to Texarkana's economic growth throughout the 1900's and is still culturally and architecturally significant today.³



¹ Grim Hotel Redevelopment. (2015). Retrieved from <http://ci.texarkana.tx.us/479/Hotel-Grim-Redevelopment>

² Abandoned Arkansas. (2015). Retrieved from <http://www.abandonedar.com/hotel-grim/>

³ Abandoned Arkansas. (2015). Retrieved from <http://www.abandonedar.com/hotel-grim/>

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Recommendations

Part I: Revising Tax Increment Financing Zone (TIRZ) #2

- i. Evaluate parcel-by-parcel performance of TIRZ district

The TIRZ 2 district has lost property value since the district's creation. To accurately determine where the value has been lost in the district, the City should have a comprehensive GIS analysis of the property database performed.

- ii. Outline new boundary for TIRZ based on analysis findings.

Based on the parcel value analysis above, the City should amend the TIRZ 2 boundary to remove properties that are contributing to the negative value of the TIRZ.

- iii. Amend current project plan

The current TIRZ 2 project plan should be updated to provide more specific cost categories and items, with a specific emphasis on likely Grim Hotel and other expected improvements.

- iv. Facilitate open communication

The City should facilitate open dialogue with the County, which is a partner in the TIRZ 2 district, when making these changes, in order to encourage collaboration regarding revitalization initiatives.

Part II: Supporting a Downtown Special Assessment District

- i. Educate downtown property owners about the benefits of a Municipal Management District (MMD) or Public Improvement District (PID) for downtown redevelopment

MMDs and PIDs enable property owners to contribute to redevelopment costs through special assessments. MMDs, which require creation through the legislature, are stronger vehicles that have grant-making and bond issuing authority.

- ii. Support the district creation process

The City should work with property owners to help with the petition and legislative processes to ensure the creation of the special assessment district. Downtown property owners will be encouraged to support a "self-tax" in order to pay for improvements that will directly benefit their district and increase property values.

Part III: Improving Development-Related Communication within the City

- i. Cultivate open lines of communication with Texarkana taxing jurisdictions

The City, County, and various school districts are all important to the economic development of Texarkana, TX. All of the relevant entities need to be able to work together and toward the same goals if the area is to grow effectively.

- ii. Facilitate communication between the City and property owners / developers

Downtown redevelopment in Texarkana, TX will largely be the result of public-private partnerships, at least for the foreseeable future. The City therefore needs to maintain open lines of communication with property owners and potential developers, which will help identify potential problems and opportunities.

- iii. Communicate with Texarkana, AR regarding efforts to further catalyze downtown development.

Economic development activity on one side of the State line has a direct impact on activity on the other side. Both cities should be united regarding efforts to revitalize the downtown area, specifically along State Line Ave.

Part IV: Encouraging Public Access at the Grim Hotel

- i. Work with Grim Hotel developer to accommodate community interest in access to building

Numerous citizens expressed a desire to be able to see the lobby and rooftop of a restored Grim Hotel. Considering the substantial public investment in the project, the City should work with the project developer to incorporate this public desire into the project plan. "Building access" could include making the lobby and rooftop commercial space, available for rentals, or other accommodations.

Part V: Exploring New Markets Tax Credits (NMTCs)

- i. Explore opportunity for NMTC investment in the Grim Hotel rehabilitation project

The current project plan is not eligible for NMTC investment. However, if a regional entity with available allocation and the developer are interested in a Grim Hotel project incorporating significant commercial space, then this outcome may be the best option for all parties.

- ii. Explore opportunities for NMTC investment in future Grim Hotel tenants

The Grim Hotel is located in a designated census tract, meaning that many of the future businesses renting the property will be eligible for the tax credits. The City should work to establish relationships with entities that receive tax credit allocations in order to assist these future tenants.

Part VI: Planning for Downtown Corridor Improvements

- i. Develop a plan using the Grim Hotel as a catalyst for additional downtown redevelopment

The Grim Hotel is viewed by nearly everyone in the City as the key to additional economic activity downtown. The City can play a critical role in spurring this development by making additional downtown improvements that will make the federal courthouse, Perot Theatre, and other recent projects feel connected and part of one, larger Texarkana corridor.

- ii. Increase downtown parking

Residents of the Grim Hotel will expect to park behind or very near the building, and the same is true for all destinations downtown. Narrowing the street and converting the parallel parking spaces to angled parking is recommended to increase the number of available spaces.

- iii. Transition to more two-way streets downtown

A two-way street system will benefit the area by calming traffic, improving walkability, and providing additional spaces for on-street parking.

- iv. Implement consistent street-scaping

Sidewalks, crosswalks, signage, and other street-scaping elements should be consistent and appealing throughout the corridor.

- v. Prioritize façade improvements

Citizens and tourists alike will be particularly interested in living, shopping, and working downtown if the building fronts appear well-maintained. The City should continue to encourage investments in these improvements.

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Additional Resources

As the City of Texarkana, TX works through the recommendations in this plan, the following resources may provide useful information.

CDFA Online Resource Database | <http://www.cdfa.net/cdfa/cdfaweb.nsf/ordsearch.html>

CDFA Brownfields Financing Toolkit |

[http://www.cdfa.net/cdfa/cdfaweb.nsf/ord/201502_BF_Toolkit/\\$file/CDFA%20Brownfields%20Financing%20Toolkit%2002.02.15.pdf](http://www.cdfa.net/cdfa/cdfaweb.nsf/ord/201502_BF_Toolkit/$file/CDFA%20Brownfields%20Financing%20Toolkit%2002.02.15.pdf)

Revolving Loan Fund Basics |

<http://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open&id=irf14-phelps.html>

Tax Increment Financing |

<http://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open&id=preso-nmi-localinitiatives-0614.html>

Infrastructure Funds & Financing for Revitalization |

<http://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open&id=cafr14-infrastuctureandrevitalization.html>

A Tool Box for Texas Cities |

<http://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open&id=CalderonOverviewTEDC2008.html>

Combining and Leveraging TIF with Other Tools |

<http://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open&id=ads11-smith.html>

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Organizations

City of Texarkana, TX
City of Texarkana Fire Department
Downtown property owners & community members
Grim Hotel Citizen Work Team
Pecan Point Brewing Company
Perot Theatre
Main Street Texarkana
Texarkana Museum System
Texarkana City Council
Texarkana Chamber of Commerce
The Texarkana Regional Arts & Humanities Council

About the Authors

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The Council of Development Finance Agencies is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation's leading and most knowledgeable members of the development finance community representing public, private and non-profit entities alike. For more information about CDFA, visit www.cdfa.net or e-mail info@cdfa.net.

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