Get it while it’s hot!

Viable downtown redevelopment options for Fairmont, West Virginia

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ABOUT DOWNSTREAM STRATEGIES
Downstream Strategies is an environmental and economic development consulting firm located in Morgantown and Davis, West Virginia. We are considered the go-to source for objective, data-based analyses, plan, and actions that strengthen economies, sustain healthy environments, and build resilient communities. A core component of our work focuses on helping communities repurpose existing buildings and other underutilized real estate assets to reshape local economies.

ABOUT THE AUTHORS
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Cover photo courtesy of the Advisory Council on Historic Preservation.
EXECUTIVE SUMMARY

Fairmont, West Virginia, boasts a downtown rich in historic assets. The Fairmont Downtown Historic District alone is home to 97 contributing historic structures. Among these, two have long stood out within the community as prime for redevelopment: the former YMCA building on Fairmont Avenue and the former Fairmont Firehouse on Monroe Street.

These buildings, which once stood as valuable community assets and a source of local pride, have fallen into disrepair and are now viewed as liabilities. However, with a renaissance afoot in Fairmont, it appears the time is right to restore these buildings’ prominence in downtown.

As part of a U.S. Environmental Protection Agency (EPA) Community-wide Assessment Grant for Brownfields, the City of Fairmont and other stakeholders are exploring potential next uses for these historic structures. As a product of that assessment, this report explores viable redevelopment options for downtown focusing on these two historic buildings and outlines the market feasibility for the following end uses:

- market-rate housing,
- office and coworking space,
- a restaurant and/or bar, and
- other creative reuse options.

As detailed in this report, opportunities for these end uses abound. Each of the proposed end uses are feasible and compatible uses for downtown Fairmont based on existing and projected market demand. While multiple configurations of these uses would work for the YMCA and the Firehouse, the authors of this study identified the following allocation as a feasible mix for these two buildings:

**YMCA:**
- One and one-third floor for coworking and event space
- Two and two-thirds floors for market-rate housing

**Firehouse:**
- One floor for a restaurant-brewery
- Two floors for market-rate housing
- Potential basement space for onsite brewing and/or utilization by local nonprofits

While this study focuses specifically on the redevelopment prospects of the YMCA and former Fairmont Firehouse buildings, many of its findings and recommendations may be applied generally to the greater downtown Fairmont area. As a result, this document is intended to offer insight for City administrators, developers, and other stakeholders in capitalizing on the existing opportunities in the Friendly City.
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1. INTRODUCTION

The YMCA and Firehouse are central features within the City of Fairmont’s long-term redevelopment strategy. Identified in the 2018 Comprehensive Plan Update as high priorities for redevelopment, planning efforts for these structures have been well underway for many years.

Figure 1: Map of buildings

The City of Fairmont contracted Downstream Strategies in July 2019 to perform a market analysis for the redevelopment of the Firehouse and YMCA in order to determine the feasibility of several proposed end uses.

Specifically, this report explores the market feasibility of:

- market-rate housing,
- office and coworking space,
- a restaurant and/or bar, and
- other creative reuse options.

The following sections detail the findings of this study. In Section 2, we review Fairmont’s existing ecosystem in terms of demographic, socio-economic, and other key trends. Sections 3–6 present the bulk of our feasibility analysis, exploring current market dynamics and feasibility for establishing market-rate apartments (Section 3), office and coworking space (Section 4), a restaurant (Section
Section 6), and other creative spaces (Section 6) within the YMCA and Firehouse. Section 7 then summarizes the overall feasibility recommendations.

Section 8 provides a full implementation plan to guide the redevelopment of these buildings moving forward, including best practices, available funding sources, and next steps.

### Table 1: Building summaries

<table>
<thead>
<tr>
<th>YMCA</th>
<th>Firehouse</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 Fairmont Avenue, Fairmont, WV 26554</td>
<td>215 Monroe Street, Fairmont, WV 26554</td>
</tr>
<tr>
<td>Built ca. 1906–1908</td>
<td>Built ca. 1910 and 1916</td>
</tr>
<tr>
<td>~38,500 square feet with five floors (four above grade)</td>
<td>~28,000 square feet with five floors (three above grade)</td>
</tr>
</tbody>
</table>

### 1.1 Community profile

The Comprehensive Plan Update for the City of Fairmont, adopted in November 2018, presents the following community profile:

- Fairmont boasts a growing segment of younger residents: Since 2000, the median age has decreased from 39.3 to 35.3 years. This is lower than the median age in the United States: 37.4 years. The largest age cohort is under 20 (26%), followed by residents in their 20s (17%).
- Fairmont is also becoming more diverse. The percentage of non-white residents has increased from 9% to 11% during the same timeframe. West Virginia as a whole is less diverse and is less than 7% non-white.
- Over the next five years, Fairmont’s population is projected to remain approximately constant. Although household income is on the rise, the percentage of residents living in poverty recently rose to 23%.
- Employment in the area centers on high technology, education, and medical services. The U.S. Interstate 79 (I-79) Technology Park/Robert H. Mollohan Research Center houses federal agencies including the National Oceanic and Atmospheric Administration, U.S. Department of Commerce, National Aeronautics and Space Administration, and Federal Bureau of Investigation. It also houses over 30 businesses with approximately 1,500 employees, including General Dynamics, Electronic Warfare Associates, Inc., FirstEnergy Corporation, Leidos, ManTech International Corporation, Northrop Grumman, Spectrum, GST, Healthcare Management Solutions LLC, the National White Collar Crime Center,
Computer Sciences Corporation, Lockheed Martin, TASC, Inc., Time Warner Cable, TRAX International Corporation, and the West Virginia United Health System.

- Fairmont is home to two large educational institutions, Fairmont State University and Pierpont Community and Technical College, which share a campus. Pierpont also recently built an Advanced Technology Center (ATC) in the I-79 Technology Park.
- Fairmont Regional Medical Center employs more than 700 physicians, nurses, and other personnel.
- While these employers, large and small, provide jobs for Fairmont residents, much of the development in recent decades has concentrated near I-79 both within and outside the city limits. Resources have therefore been pulled away from downtown Fairmont. (Mackin, 2018)

1.1.1 Key assets and amenities

- Downtown Fairmont is linked to I-79 via the Fairmont Gateway Connector, an intentionally-designed 1.5-mile, four-lane highway. Completed in 2010, the Connector won the 2011 America’s Transportation Award for Innovative Management and provides both an efficient link and distinctive entry into downtown. (Mackin, 2018)
- The Fairmont Downtown Historic District features 97 contributing buildings, including both the YMCA and the Firehouse.
- Fairmont State University is a public university located in Fairmont with just under 4,000 students. The university is known widely as a prominent commuter school in the region.
- Palatine Park is located just across the Monongahela River from downtown Fairmont. The park features riverfront walkways, a boat launch with courtesy dock, a splash park, and a concert pavilion which hosts the popular Arts in the Park and an outdoor concert series.
- The 238-mile Parkersburg to Pittsburgh (P2P) rail-trail is already nearly 80% complete. As of early 2018, there were four small remaining gaps in West Virginia’s portion of the trail—the smallest of which is within the City of Fairmont. The City is moving ahead with this project and expects to have a completed design for the trail segment by November 2019. Once completed, the 150-mile West Virginia section of the P2P corridor will run straight through Fairmont on the eastern side of the Monongahela River. The City hopes to build a bridge for trail users over the former Nickel Bridge abutments, which will link downtown at Jefferson Street to Palatine Park.
• The **Upper Monongahela River Water Trail** is a resource for recreational boaters in downtown Fairmont. With public access in Palatine Park, the water trail starts in Fairmont and flows north to Ten Mile Creek.

1.1.2 **Key players**

In addition to the City of Fairmont, the following entities represent key players in downtown redevelopment.

• **Fairmont Community Development Partnership** is a nonprofit organization which promotes community and economic development along with neighborhood revitalization and affordable housing in targeted low-income areas. The Partnership also offers business incubation and support services to Fairmont businesses.
• **Main Street Fairmont** is dedicated to encouraging new development and historic restoration in downtown Fairmont. They have partnered with the Federal Home Loan Bank of Pittsburgh to offer the Banking on Business program, which helps eligible small businesses with start-up and expansion. Main Street Fairmont also hosts special events, such as the Feast of the Seven Fishes, First Fridays, and the Arts Market.

• **Marion County Chamber of Commerce** is a nonprofit organization supported by investments from more than 450 member businesses and other contributions to chamber programs. Chamber staff and volunteers plan and implement numerous business and community events that enhance the quality of life for everyone in Marion County.

• **Marion County Parks and Recreation Commission** (MCPARC) formed in 1977 and is committed to the purpose of providing Marion County with quality park and recreation areas for all leisure activities. Within the City, MCPARC owns and operates four parks (East Marion, 12th Street Pool, Mary Lou Retton, and Palatine).

2. **HOUSING**

Though Fairmont’s population remains fairly steady, the city continues to experience a decline in overall housing units. Further, many residents complain about the condition of the available housing stock (Mackin, 2018). The downtown area in particular has relatively few market-rate rental options when compared to the availability of tax credit or government-subsidized rental properties (Bowen National Research, 2019). Additionally, a declining homeownership rate among Millennials—Fairmont’s fastest-growing population segment—means more young professionals will be renting property for longer periods of time. For these reasons and more, the development of high-quality market-rate housing at the city’s core is a reasonable redevelopment option for Fairmont’s historic buildings, including the YMCA and Firehouse.

2.1 **The affordability advantage**

According to a 2016 public survey, the number one reason people choose to live in Fairmont is the affordability of housing—particularly as compared to other nearby cities (Mackin, 2018). The median list price per square foot in Fairmont is $94, which is slightly lower than the Clarksburg area average of $98 and significantly lower than the Morgantown area average of $134. The Zillow Rent Index for all homes in Fairmont was $851 a month in May 2019, which compares to $885 in Clarksburg area and $1,122 in the Morgantown area. (Zillow, 2019)

<table>
<thead>
<tr>
<th>Property type</th>
<th>Zillow Rent Index ($)</th>
<th>Price per square foot ($/sf)</th>
<th>Square footage (sf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio apartment</td>
<td>791</td>
<td>1.53</td>
<td>514</td>
</tr>
<tr>
<td>One-bedroom apartment</td>
<td>730</td>
<td>0.96</td>
<td>757</td>
</tr>
<tr>
<td>Two-bedroom apartment</td>
<td>797</td>
<td>0.70</td>
<td>1,138</td>
</tr>
<tr>
<td>Three-bedroom apartment</td>
<td>996</td>
<td>Not available</td>
<td>Not available</td>
</tr>
<tr>
<td>Four-bedroom apartment</td>
<td>1,007</td>
<td>Not available</td>
<td>Not available</td>
</tr>
</tbody>
</table>


2.2 **The developer-landlord experience in downtown Fairmont**

For this study, the consultant team surveyed five Fairmont landlords with experience redeveloping property in and around downtown. This group of landlords manage a total of 59 market-rate apartments, ranging from one- to three-bedroom units. Additionally, two of the landlords manage a combined total of 239 government-subsidized units.
Overall, these landlords reported overwhelmingly positive experiences with market-rate housing in Fairmont. The surveyed owners consistently spent around $100,000 per market-rate apartment to prepare them for rental. These renovations occurred in historic buildings in varying degrees of disrepair. The landlords described the market-rate rental market in downtown as being strong and the demand for their units as high. They charge between $600 and $1,350 for their apartments. All of the landlords utilize one-year lease arrangements with their tenants.

When asked about their target markets, the landlords with market-rate properties all mentioned targeting single young professionals or professionals with families. This market does not seem hard to attract: The landlords all mentioned using word of mouth, social media, and Craigslist to find new tenants. Their average unit turnover time was less than 30 days.

When asked about the challenges of redeveloping downtown for market-rate housing, the survey respondents mentioned parking, the drug epidemic, the reputation of downtown, the number of amenities/social attractions, and the walkability between existing attractions. One respondent mentioned that the façade and redevelopment standards from the Historic Preservation Review Commission and the State Historic Preservation Office can make redevelopment difficult. When asked if, all things considered, they would make similar investments in market-rate housing again, everyone surveyed said that they would.

Success on display

The historic Spadafore Building is situated on the corner of Fairmont Avenue and First Street, across from the YMCA. The three-story building was purchased in a dilapidated state by Fuzzy Mammoth Development for $105,000 in 2014 (Marion County Assessor, 2019). Fuzzy Mammoth undertook an extensive restoration and renovation of the building, converting the dilapidated space into a restaurant space on the main floor and apartments on the second and third floors. There are two one-bedroom apartments, rented at $700 per month, and one two-bedroom apartment, rented at $850 per month. All totaled, the development company spent $75,000 to $100,000 per unit to prepare the Spadafore Building for tenants.

2.3 The tenant experience in downtown Fairmont

As mentioned above, there are relatively few people renting market-rate apartments in downtown Fairmont. However, in an interview with two tenants who rent apartments in two different market-rate buildings on opposite sides of downtown, the sentiment of their experience was overwhelmingly positive. Both tenants mentioned having friends who were envious of both the location and setting of their apartments in historic buildings. Both of the tenants had chosen to live in Fairmont to be closer to their jobs. They chose their apartments downtown because of the loft-type feel and design of their units.

When asked about what could be done to improve their living situation, both mentioned concern about individuals loitering downtown who may or may not be homeless. The tenants mentioned that these individuals generally don’t cause serious problems, but they leave trash behind and treat the downtown area poorly. One of the tenants acknowledged that there are many people working to figure out solutions to this problem.

Another issue mentioned was the fact that most downtown businesses close by 5:00 p.m. The lack of businesses that stay open in the evening hours makes the area feel like a ghost town. Considering
everything, both tenants agreed that if the circumstances were right, they would buy a similar apartment or condo in downtown Fairmont.

2.4 Feasibility determination

The Firehouse and YMCA buildings offer a combined 67,000 square feet (sf) of development opportunity. Housing development plans should be concentrated on the 40% of these buildings that is above street level. Below, Table 3 presents one of many development scenarios that could work at both of these buildings. This scenario assumes that the buildout would result in a 20% loss of rent-producing space in the areas of the buildings where apartments are built. Buildout costs are estimated at $100,000 per unit, based on the responses from our survey of landlords/developers who have undertaken similar development endeavors in Fairmont. The net yearly income is simply the gross yearly income less financing costs from the buildout on a 30-year loan at 4% interest. We recognize that the feasibility of this development is largely dependent on the developers’ ability to obtain this or more favorable financing for the buildout; however, as outlined in the Implementation Guide, numerous tax benefits and favorable financing options are available to make such a project more advantageous from a developer’s standpoint.

Table 3: Market-rate housing development scenario

<table>
<thead>
<tr>
<th>Building</th>
<th>Studio</th>
<th>One-bedroom</th>
<th>Two-bedroom</th>
<th>Required space (sf)</th>
<th>Gross yearly income ($)</th>
<th>Net yearly income ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>YMCA</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>14,454</td>
<td>180,000</td>
<td>94,065</td>
</tr>
<tr>
<td>Firehouse</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>10,710</td>
<td>147,800</td>
<td>61,065</td>
</tr>
</tbody>
</table>

Details of the scenario in Table 3 are spelled out in Section 6.

All things considered, the development of several market-rate apartments in each building is entirely feasible, and, under the right financing conditions, it could even be profitable in year one.

2.5 Things to consider

There are several risks, liabilities, and constraints developers should give special attention to when planning for market-rate housing at the Firehouse or YMCA.

- **Rapid saturation of evolving downtown market.** While all the landlords with downtown redevelopment experience surveyed said they would invest in projects downtown again, some were concerned that the market for housing downtown could easily become saturated in these early years of redevelopment. Indeed, it is a classic issue of the chicken and the egg. With more market-rate housing comes more opportunities for restaurants and amenities downtown, and with more restaurants and amenities comes increased desire to live downtown; however, developers must walk a fine line between supply and demand with the current lack of a critical number of downtown amenities and activities.

- **Parking.** All parking downtown is two-hour metered parking, and most meters can be re-fed once the two-hour limit is almost up. The YMCA has more than 30 off-street parking spaces for future tenants of the building. The Firehouse, on the other hand, only has four off-street spaces. Any potential developer of this structure would need to work with the City and surrounding building owners to identify a parking solution to at least ensure that tenants have an option for off-street parking.
One solution that could be explored is the acquisition of the neighboring property (the A.J. Hays building) and conversion of that space into a parking area, which could be accessed from Cleveland Avenue at the rear of the building. This solution could also provide an outdoor space for a restaurant/bar on the street level while preserving the Monroe Street façade. Figure 3 shows an example of a building in Geneva, New York, that was recently demolished while preserving the streetscape façade. As seen in this photo, the former interior of the building could now be used for parking or an outdoor space.

- **Historic and cultural resources.** The West Virginia State Historic Preservation Office (SHPO) and Fairmont Historic Preservation Review Committee were both mentioned as potential challenges during our interviews with landlords with development experience in downtown. Both the YMCA and the Firehouse are listed as contributing structures to the Fairmont Downtown Historic District on the National Register of Historic Places, which means that in order to access federal funds or obtain local redevelopment permissions, redevelopment plans would have to be submitted for review by both SHPO and the Committee. The Fairmont historic preservation review process is included in Appendix A.

- **Public perception of downtown.** It became clear through interviewing landlords and developers in the downtown area that the community truly wants to see the YMCA and the Firehouse redeveloped and brought back to life. However, there is still significant work to be done to change the public’s perception of the downtown area, which is viewed by many as derelict. This perception will undoubtedly impact the success of any venture at these two buildings, though perhaps none more than the development of housing. Several entities including Main Street Fairmont and the Fairmont Community Development Partnership are actively working to improve people’s view of downtown and Fairmont generally.

### 3. OFFICE SPACE

The greater Fairmont area offers a range of options for traditional office space. Based on a review of current office space listings, more than 90,000 sf is available for rent and more than 80,000 sf is available for purchase (LoopNet, 2019). A summary of available properties for rent and sale are shown in Table 4 and Table 5 below.
Table 4: Office space for rent

<table>
<thead>
<tr>
<th>Address</th>
<th>Total available square footage (sf)</th>
<th>Building size (sf)</th>
<th>Listed rent ($/sf/year)</th>
<th>Lease term</th>
<th>Building occupied</th>
<th>Within city limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>320 Adams Street (Veterans’ Square)</td>
<td>38,863</td>
<td>56,420</td>
<td>8.50-12.00</td>
<td>Negotiable</td>
<td>31%</td>
<td>Yes</td>
</tr>
<tr>
<td>900 Fairmont Avenue</td>
<td>1,400</td>
<td>5,600</td>
<td>12.00</td>
<td>1-5 years</td>
<td>75%</td>
<td>Yes</td>
</tr>
<tr>
<td>14 E Grafton Road</td>
<td>2,000</td>
<td>16,000</td>
<td>12.00</td>
<td>3-5 years</td>
<td>88%</td>
<td>Yes</td>
</tr>
<tr>
<td>1000 Technology Drive (Innovation Center)</td>
<td>48,234</td>
<td>119,971</td>
<td>18.50</td>
<td>5 years</td>
<td>60%</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: LoopNet, 2019

Table 5: Office space for sale

<table>
<thead>
<tr>
<th>Address</th>
<th>Lot size (acres)</th>
<th>Building size (sf)</th>
<th>List price ($)</th>
<th>Year built</th>
<th>Within city limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1377 Locust Avenue</td>
<td>1.27</td>
<td>13,669</td>
<td>599,985</td>
<td>1970</td>
<td>Yes</td>
</tr>
<tr>
<td>312 Adams Street</td>
<td>Not available</td>
<td>2,500</td>
<td>70,000</td>
<td>1917</td>
<td>Yes</td>
</tr>
<tr>
<td>200-210 Fairmont Avenue</td>
<td>1.04</td>
<td>42,000</td>
<td>300,000</td>
<td>1940</td>
<td>Yes</td>
</tr>
<tr>
<td>33 Morgan Circle</td>
<td>0.58</td>
<td>5,082</td>
<td>510,000</td>
<td>1975</td>
<td>Yes</td>
</tr>
<tr>
<td>3 Tygart Mall Loop</td>
<td>3.43</td>
<td>15,625</td>
<td>1,450,000</td>
<td>1996</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: LoopNet, 2019

While this review confirms that Fairmont already has an abundance of empty office space, available properties follow clear trends:

- Most available properties are located along I-79—particularly within and adjacent to the I-79 Technology Park—while relatively few finished office spaces are available downtown.
- Most buildings are located in strip malls or office parks rather than in walkable urban areas.
- The majority of available listings feature dated interiors and conventional office amenities in aging buildings, with exceedingly few options in higher-end or newly renovated buildings.
- The Robert Mollohan Innovation Center and other buildings in the I-79 Technology Park offer higher-level infrastructure specifications to accommodate tech enterprises, including fiber-optic wiring and extensive emergency power systems.
- Overall rents remain very affordable, and lease terms are generally flexible.

3.1 Office space downtown

While available office space in Fairmont is largely concentrated along I-79, demand is growing for renovated office space downtown. Interviews with several local entrepreneurs indicated a strong preference for locating businesses downtown in renovated older buildings with character. Several noted a perception that Fairmont is an incredibly affordable place to locate a business, as compared to Morgantown or Bridgeport. Several existing businesses also expressed disappointment in the overall state of available buildings for rent or purchase downtown and indicated that a newly renovated space downtown would be viewed as an extremely favorable location for new businesses.

In addition, the completion of the P2P rail-trail will likely further enhance the viability of office space in downtown Fairmont. As Morgantown and countless other cities have experienced, the presence of a rail-trail in an urban center enhances quality of life and encourages mixed-use development downtown. Once the rail-trail is completed and linked to downtown Fairmont via bridge, Fairmont
can target similar development, offering renovated office space within walkable proximity to restaurants, coffee shops, other businesses, and the rail-trail.

### 3.2 Working configurations for a new economy

Fairmont is well established as one of West Virginia’s primary tech hubs. Though the size of some of Fairmont’s private-sector entities may ebb and flow in conjunction with government contracts, the presence of anchor federal agencies in the I-79 Technology Park offers considerable assurance of the stability of the local tech industry.

In addition, recent statewide focus on expanding high tech training opportunities offers promise of future tech sector growth. For example, Huntington-based NewForce is a tuition-free, intensive tech training program founded in 2018 that is teaching West Virginians the right tech skills for companies ready to hire in the Mountain State. The six-month, in-person program finishes with a job interview day during which NewForce graduates interview for open positions with the program’s employer partners. Several companies in Fairmont are participating in this program with the intention of hiring additional employees. According to NewForce officials, these Fairmont companies are generating a significant portion of the interest and demand for the program.

Growing the number of jobs in software development will further sustain tech sector growth in the Fairmont area. Traditionally, tech companies have been heavily concentrated in the I-79 Technology Park in buildings like the Robert H. Mollohan Research Center, which offers 248,000 sf of office and meeting space, fiber-optic wiring, and emergency backup power systems specifically for high tech firms.

However, national and global trends show that most tech firms and modern companies are transitioning away from conventional office space in favor of more agile workspaces with flexible lease terms, such as coworking spaces. Large corporations are driving this trend: Approximately 40% of demand for coworking spaces in 2019 is expected to come from corporations and other large companies, which have recently been filling coworking spaces with their own employees. In fact, major corporations like Facebook, Microsoft, and many others have come to rely on coworking spaces, though the trend applies to smaller firms as well. This growth does not apply solely to major urban areas: The largely rural states of Kansas, Nebraska, and Oklahoma each reported coworking growth rates of over 20% in 2018. (Bodick, 2019)

As an example closer to home, global payment solutions firm WEX recently closed its Morgantown office and transitioned all local employees to teleworking in order to reduce overhead costs. Given the shifting dynamics in the modern workplace, the trends point to the likelihood that some of Fairmont’s existing companies may opt to transition their employees to teleworking in the near future.

#### 3.2.1 Coworking case studies

In evaluating the feasibility of coworking in Fairmont, several relevant case studies were identified and examined, with particular focus on four coworking spaces in West Virginia and one in western Maryland.
Table 6: Membership pricing for coworking spaces in the region

<table>
<thead>
<tr>
<th>Coworking entity</th>
<th>Open desk seating price ($/month)</th>
<th>Private office space price ($/month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CoWorks WV (Huntington, WV)</td>
<td>75</td>
<td>300-400</td>
</tr>
<tr>
<td>WVSU EDC (Charleston, WV)</td>
<td>25</td>
<td>300</td>
</tr>
<tr>
<td>ACRE Coworking (Cumberland, MD)</td>
<td>35</td>
<td>145</td>
</tr>
<tr>
<td>AREA 34 (Hurricane, WV)</td>
<td>200 (individual membership); 400</td>
<td>Not available</td>
</tr>
<tr>
<td></td>
<td>(corporate membership)</td>
<td></td>
</tr>
<tr>
<td>The Loft Offices &amp; Conference Center</td>
<td>$95/month</td>
<td>520</td>
</tr>
<tr>
<td>(Morgantown, WV)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From this initial data review, two coworking spaces stood out as particularly relevant for Fairmont:

- **CoWorks WV, Inc. (Huntington, West Virginia).** CoWorks is a newly established nonprofit coworking center operating out of the first floor of the JP Morgan Chase building in downtown Huntington. Available space at CoWorks varies, ranging from daily drop-in rates ($20 per day) to open seating ($75/month), dedicated desk space ($150 per month), and private offices ($300-400 per month).

  CoWorks occupies the first floor of the 80,000-sf former First Huntington National Bank building, which was largely vacated when anchor tenant JP Morgan Chase significantly downsized its presence in the three-story building. The Hankins Management Company, which owns the building, partnered with two local entrepreneurs and identified coworking as a unique fit for an open concept layout of the former banking space.

  While CoWorks officials currently report sparse demand open desk seating, it sees significant interest in individual office memberships and evening rentals of its conference spaces, which are highly sought after by a wide range of local nonprofits and other organizations. Businesses located within CoWorks include video production firm Montani Films and a podcasting studio opened by a Huntington resident. (In addition, NewForce holds its training programs within the same building, and CoWorks hopes to build opportunities for collaboration with NewForce in the future.)

  CoWorks was envisioned to be built out as a statewide network of coworking spaces. It is currently eyeing opportunities to add a second location within the state and has expressed strong interest in developing a space in Fairmont.

- **West Virginia State University (WVSU) Economic Development Center (EDC) (Charleston, West Virginia).** WVSU has been offering business and entrepreneurship training, office space leasing, and small business start-up support on Charleston’s West Side for more than a decade. Opened in 2005 as part of WVSU’s DigiSo Initiative, the EDC offers several coworking options ($25 per month for shared work space), eight private offices ($300 per month), as well as spaces for trainings and meetings. The facility also features an area for art exhibits and offers access to video capture space, green screen capabilities, a voice studio, and an editing suite for $50 per month.

  According to officials at the EDC, demand for their private office space is booming: Their eight private offices stay continuously occupied, and the EDC keeps a waiting list to fill vacancies as they become available. The rental of these offices alone generates $2,400 per month in rental income for the EDC. The EDC staff gave a rough estimate that the space has 10-20 users per day and approximately 75-100 users per week. While the EDC seems to be
generating strong usage, its university affiliation adds powerful resources and stability to the coworking space. As a result, the EDC offers a model that Fairmont could feasibly replicate through partnership with Fairmont State University.

Through interviews with several existing coworking spaces in West Virginia and research into coworking trends nationwide, the following key takeaways emerged:

- While coworking is extremely prominent in urban areas, coworking trends are extending into rural America, albeit at a much slower pace.
- While many successful coworking spaces have emerged in small, rural communities throughout the nation, they tend to be concentrated in areas that attract a steady flow of visitors and/or tourists as well as areas that already possess a skilled workforce.
- Feedback from existing coworking spaces in West Virginia indicates that coworking spaces have not yet proven to be great money-making enterprises in the state. For this and other reasons, CoWorks in Huntington chose to pursue a nonprofit business model in order to introduce coworking opportunities to the city. Nonetheless, most sources agree that coworking spaces provide the additional benefits of business incubation and entrepreneurial support.
- Several existing coworking spaces reported that including space for conferences, meetings, and events has proven to be a critical element in their business models. Such space rentals provide additional rental income, raise awareness of coworking, and increase the coworking space’s visibility within the community.
- Of the five regional coworking spaces reviewed in depth for this study, four have formal partnerships with other entities that help subsidize their operations. These entities include a university, a county Chamber of Commerce, a commercial real estate company, and a conference center and hotel. CoWorks WV in Huntington was the only truly independent coworking entity. CoWorks was established as a nonprofit organization and focuses on business and community development.
- While one coworking space (AREA 34 in Hurricane) was formed as an initiative of a Chamber of Commerce, our research generally confirmed that the main demographic for coworking in West Virginia tends to be small, newly formed businesses that fall outside the typical Chamber membership profile.

While Fairmont is not considered a tourist destination, it does have several features that make it a fairly strong candidate for a coworking space:

- Fairmont is already a sizeable tech hub in West Virginia. Based on global trends, it is reasonable to expect that, at some point in the future, local companies may begin shifting toward more flexible office arrangements for their employees. As programs like NewForce take root, the presence of a skilled labor pool will open up opportunities for Fairmont residents to work remotely for tech companies in other states. These factors could generate significant demand for coworking space in Fairmont.
- Located on I-79 roughly halfway between Pittsburgh and the Charleston-Huntington metropolitan corridor, Fairmont is ideally positioned to take advantage of business travelers crossing West Virginia. Many businesses across multiple sectors find themselves traveling between Morgantown, Charleston, and Huntington on a routine basis. Given the needs of the modern workplace, these business travelers periodically need a place with high-speed internet to stop for a conference call or attend to other work matters.
- Huntington-based CoWorks WV hopes to expand to a second location in another part of the state in the near future. Under its model for expansion, the nonprofit plans to centralize much of its administration to one office to maintain efficiency. Further, it will offer reciprocal
rights and joint programming across locations. This poses a significant partnership opportunity for Fairmont.

3.3 Feasibility determination

Fairmont already has ample office space available for rent and purchase, yet the majority of available options feature outdated interiors and are located along the highway outside the central city. Given the rise of Fairmont’s tech industry and growing interests in the central urban core, all signs point favorably toward a newly renovated office space downtown that would be walkable to other amenities and the future rail-trail.

Office space for coworking stands out as a particularly viable option for downtown Fairmont. Based on information gathered from existing coworking spaces in the region and national coworking statistics, the following table projects the square footage required and estimated monthly expenses incurred based on estimated usage for a coworking space in Fairmont

Table 7: Projected coworking space requirements and monthly operating expenses

<table>
<thead>
<tr>
<th>Feature</th>
<th>25 users</th>
<th>50 users</th>
<th>100 users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kitchen/cafe space</td>
<td>100 sf</td>
<td>150 sf</td>
<td>200 sf</td>
</tr>
<tr>
<td>Open seating space (75 sf/person)</td>
<td>1,875 sf</td>
<td>3,750 sf</td>
<td>7,500 sf</td>
</tr>
<tr>
<td>Private offices @ 150 sf*</td>
<td>750 sf</td>
<td>1,200 sf</td>
<td>1,500 sf</td>
</tr>
<tr>
<td>Conference space</td>
<td>800 sf</td>
<td>1,000 sf</td>
<td>1,200 sf</td>
</tr>
<tr>
<td>Total square footage**</td>
<td>3,525 sf</td>
<td>6,100 sf</td>
<td>10,400 sf</td>
</tr>
<tr>
<td>Monthly utilities @ $2/sf/year</td>
<td>$588</td>
<td>$1,017</td>
<td>$1,733</td>
</tr>
<tr>
<td>Monthly rent @ $12/sf/year</td>
<td>$3,525</td>
<td>$6,100</td>
<td>$10,400</td>
</tr>
<tr>
<td>Total monthly expense</td>
<td>$4,113</td>
<td>$7,117</td>
<td>$12,133</td>
</tr>
</tbody>
</table>

* Assuming 5 private offices for 25 users, eight offices for 50 users, and 10 offices for 100 users
** Note: Nationally, average seems to be 7,500-8,500 sf

The following pricing structure would allow a Fairmont coworking space to break even based on the estimated total monthly expense above.

Table 8: Break-even projections for coworking space

<table>
<thead>
<tr>
<th>Feature</th>
<th>25 users</th>
<th>50 users</th>
<th>100 users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open desk seating membership</td>
<td>$65.52</td>
<td>$64.34</td>
<td>$71.33</td>
</tr>
<tr>
<td>Private office rental</td>
<td>$300</td>
<td>$300</td>
<td>$300</td>
</tr>
<tr>
<td>Conference space rental needs</td>
<td>20 hours rented @ $50/hour</td>
<td>30 hours rented @ $50/hour</td>
<td>40 hours rented @ $50/hour</td>
</tr>
</tbody>
</table>

While these projections do not consider initial renovation costs, they do show that coworking could be viable in downtown Fairmont. And while the overall usage and profit potential of coworking spaces in West Virginia lags behind national averages, the role coworking spaces play in business incubation and fostering local entrepreneurial ecosystems would make coworking a valuable addition to Fairmont’s city center.
3.4 Things to consider

- Based on the projections above, the City of Fairmont could reasonably dedicate 10,000 sf for coworking city-wide. Both the YMCA and the Firehouse would offer compatible space; however, the City should also evaluate other buildings downtown such as the BB&T building for viability as a coworking space.
- Partnership opportunities could potentially boost the viability of a coworking space in Fairmont. CoWorks WV has expressed interest in establishing a second coworking location in northern West Virginia and has a model to do so fairly efficiently. In addition, Fairmont could consider pursuing partnerships with Fairmont State University or Pierpont Community and Technical College. (See the Implementation Guide for more information.)
- The tech training program NewForce and similar efforts offer significant opportunity for Fairmont. Fairmont companies are driving much of the demand for the program’s trainees, and NewForce recognizes the potential for expanding to a second location in Fairmont. Since NewForce currently utilizes space in the same building as CoWorks WV in Huntington, a similar program could potentially locate within coworking space in Fairmont in the near future.
- In addition to market-rate office space, the YMCA and Firehouse may very well have additional office space that could be offered to local nonprofits and other community groups at a subsidized rate. (See more information in Section 6.)
- Fairmont lies within a federally-designated Qualified HUBZone. The HUBZone program is an effort by the U.S. Small Business Administration (SBA) in which the government limits competition for certain contracts to businesses in historically underutilized business zones. It also gives preferential consideration to those businesses in full and open competition. Targeted marketing efforts could attract such contractor businesses to locate in newly renovated space in downtown Fairmont. (U.S. SBA, 2019)

4. RESTAURANTS AND BARS

Restaurants and bars were identified as a potential end use to explore through this study. As a result, this section of the report explores options within the food and dining sector for downtown Fairmont.

West Virginia restaurants produced approximately $2.8 billion in sales in 2018 and accounted for 10% of statewide employment. Industry projections estimate that restaurant and food industry employment will rise to 17.3% by 2029, accounting for a total of 77,800 jobs statewide. (National Restaurant Association, 2019)

While West Virginia lags behind other states in the overall strength of its restaurant industry, the state has seen developments following national trends: Restaurants serving locally grown, sustainable offerings continue to grow in popularity, and consumers—particularly those of the younger generations—increasingly seek out local, independent restaurants rather than chains.

Similarly, the production of craft beer and craft spirits has taken off around the country in recent years. In 2018, the industries continued to grow with an increased number of microbreweries and a rise in experiential drinking. (Newhart, 2019)

Mirroring national and international trends, craft brewing is flourishing in West Virginia. The number of craft breweries in the state has increased from three in 2009 to nearly 30 in 2019. Despite this dramatic rise, the West Virginia Craft Brewers Guild says the statewide market is still far from saturated. (Kabler, 2019)
In addition, the West Virginia Legislature has pushed hard in recent years to lessen cumbersome restrictions on craft breweries. In 2015, the West Virginia Legislature reduced fees for brewer’s licenses and brewpub operations and passed provisions allowing tastings to occur and growlers to be purchased and filled on-site at brewpubs (Mistich, 2015). Recent legislation passed in 2019 has taken additional steps to lessen restrictions facing small breweries, including:

- easing breweries’ ability to hold and participate in special events;
- eliminating bond requirements for brewers, resident brewers, distributors, and brewpubs; and
- expediting the Alcohol Beverage Control Administration’s license approval process (Kabler, 2019).

4.1 Current trends

Fairmont currently hosts the following local restaurants within the area of the city’s urban core considered for this study:

- Joe N’ Throw,
- The Grape Leaf,
- Little Red Hen Bakery,
- Yann’s Hot Dog Stand,
- Ken’s Chinese Restaurant,
- The Rambling Root,
- Noteworthy Sweets,
- Fox’s Pizza Den, and
- JAG Burger Beer Bowery.

The greater Fairmont area is already home to several established makers of craft beer, wine, and mead, including the Rambling Root and Mountain Dragon Mazery.

Other breweries in Marion and Monongalia counties include:

- Short Story Brewing Company (Rivesville),
- Chestnut Brew Works (Morgantown),
- Mountain State Brewing Company (Morgantown and Bridgeport), and
- Morgantown Brewing Company (Morgantown).

Of the dining establishments in downtown Fairmont, Joe N’ Throw and the Rambling Root are the two main anchors in the central urban core.

4.2 Key findings

Ultimately, the addition of new food and dining venues must go hand-in-hand with the development of housing and office space. As a result, the authors of this study consider the expansion of restaurants as necessary to the planned redevelopment of Fairmont’s downtown.

In preparation of this study, the consultant team interviewed a number of local business owners in downtown Fairmont, as well as Short Story Brewing in nearby Rivesville and researched industry trends in the state and region. The following key takeaways emerged:

- **Existing downtown establishments are doing well with craft beer and food offerings.** Fairmont’s anchor dining establishments, Joe N’ Throw and the Rambling Root, both report strong performance. Joe N’ Throw recently opened a second location, Stone Tower Brews, in Buckhannon. Joe N’ Throw’s owners attribute much of their success to their business model:
In addition to its long-standing collaboration with West Fork Pottery, Joe N’ Throw offers coffee in the morning, food all day, and a wide selection of craft beer in the evening. The diversity of its offerings has greatly expanded its profit potential as compared to a stand-alone coffee shop. The Rambling Root features an exhaustive lineup of craft beer on tap and bottled, features extensive lunch and dinner menus, and has started brewing onsite. Notably, both establishments are eyeing expansion within the next few years.

- **Downtown Fairmont is an appealing location for restaurant owners.** The owners of Joe N’ Throw and the Rambling Root both reported that they find the location and aesthetics of their current spaces highly desirable. The owners of both establishments noted that, even in the event that they expand in the coming years, they would like to find similar—albeit larger—spaces downtown.

- **Brewing and specialty equipment requires significant space.** Conversations with the Rambling Root and Short Story Brewing indicated that the number one factor in choosing a location for a brewery is having adequate space for specialized brewing equipment. A close second factor cited was ease of getting kegs and materials in and out the brewing space. In particular, the Rambling Root owner DJ Cassell noted that garage doors would be a huge asset to a future brewing space.

  Comprehensive surveys conducted by MicroBrewr, an independent weekly blog and podcast dedicated to brewery start-up/research, found that a significant number of breweries wished they had planned their expansion from the start. One craft brewing company noted, “I would have built a larger infrastructure at the outset. We’ve expanded the operation and reached capacity production three times since we started brewing in 2009. We’ve now maximized what we can fit in the footprint of our current building... Our new site will, of course, have room to grow, so at least we’ve learned!” (Piece, 2015) Similarly, for its coffee roastery, Joe N’ Throw has a separate building in downtown Fairmont, given the space limitations within its main coffee shop.

- **Good landlords and flexible leasing arrangements can be instrumental for supporting new businesses.** Several entities noted the importance of having good landlords who not only maintain safe, appealing rental spaces but also believe in community development and support new business initiatives. Members from one prominent restaurant noted that having a sliding-scale rent was a game-changer for their new business: Their landlord granted them free rent during their first year of business, then $400 and $800 per month in the subsequent two years, respectively. (Several years later, they are now in the process of buying their space from their landlord.)

  While not every building owner may be in a position to offer such flexible rental terms, pursuing such arrangements could likely result in more businesses locating downtown. For instance, owners from one new brewery in the region noted that they were very interested in locating in Fairmont but felt priced out of the market, given their very low budget as a new brewery start-up. According to the owner, had a space with flexible lease terms been available, they would have jumped at the chance to locate their brewery in downtown Fairmont.

  On a positive note, several food businesses interviewed for this study reported having positive experiences working with the Partnership and other entities to find and rent a space in downtown Fairmont.
4.3 Space requirements

With its garage doors opening onto Monroe Street, the Firehouse offers a number of key features that would make the space ideal for a combined brewery-restaurant. Market trends indicate that such an establishment would be in high demand and would complement the shared vision for enhancing vibrancy downtown.

The first floor of the Firehouse is approximately 5,625 sf, along with roughly an equal area below grade in the basement.

After reviewing industry standards, most restaurant planners recommend allocating approximately 40% of a restaurant’s total square footage for kitchen, storage, and preparatory spaces and 60% for the dining area, entryways, and front house space. Most sources recommend 12–15 sf per customer for full-service restaurants, whereas fast food establishments average closer to 11 sf per customer. Similarly, approximately five sf of kitchen space per restaurant seat is recommended. (Perkins, 2018)

Based on these figures, the following table shows an approximate allocation of space if the main floor of the Firehouse were to be used exclusively as a restaurant.

<table>
<thead>
<tr>
<th>Total square footage</th>
<th>5,625 sf</th>
</tr>
</thead>
<tbody>
<tr>
<td>40% backend/kitchen</td>
<td>2,250 sf</td>
</tr>
<tr>
<td>60% frontend/dining</td>
<td>3,375 sf</td>
</tr>
</tbody>
</table>

Not all of the front-end space would be dedicated to customer seating. Yet if 70% of the front-end space were for customer, it could easily seat around 150–200 customers.

For comparison, feedback from the owners of Joe N’ Throw indicated that the coffee shop’s current space is roughly 1,800 sf, with 1,200 sf for the dining area and kitchen, 400 sf for the pottery studio, and 200 sf for storage. Their second location, Stone Tower Brews in Buckhannon, is approximately 3,000 sf, and the owners consider it to be a very functional space. The owners are already considering expanding their Fairmont location and would conceivably consider up to 3,500 sf in total space for a new location.

With its street-level garage doors and tall ceilings, the main floor of the Firehouse would also make an excellent space for a craft brewery.

After surveying 20 nanobreweries, brewpubs, and production packaging breweries across the U.S., analysts at MicroBrewr determined that most breweries need 2.16 sf per barrel of yearly capacity (Piece, 2015). Based on this figure, approximately 11,000 barrels per year in production could be expected if around 5,000 sf of the Firehouse’s main floor and/or basement were devoted to brewing space. This amounts to roughly the current annual production (800–1,200 barrels per year) from Short Story Brewing in neighboring Rivesville. For comparison, Rambling Root has approximately 2,400 sf of brewing space in the basement of their current location.

4.4 Feasibility determination

As Fairmont’s downtown redevelopment takes root, people moving into market-rate apartments and filling office space will fuel the demand for and viability of downtown food and dining
establishments. While both the YMCA and the Firehouse offer space that would be compatible for a restaurant, the Firehouse offers several features that make it ideal for a restaurant-brewery.

The Firehouse has ample space to house both a brewery and restaurant on its main floor and basement. The main floor would make an ideal space for a bar and customer seating. In addition, as mentioned in Section 3, the A.J. Hays building could be acquired and creatively repurposed as a below-grade parking lot with a street-level outdoor patio on Monroe Street adjoining the restaurant-brewery. This would provide additional outdoor seating for the restaurant and additional space for live music, entertainment, and the annual Feast of the Seven Fishes Festival. (See more information in Section 6.)

The tall ceilings in the space would also accommodate brewing tanks on the main floor, though the basement would provide ample space for a full brewing facility as it currently features a unique, unconventional layout with unusually tall ceilings. This space could be utilized for specialty brewing, provided a freight elevator can be installed to provide sufficient access to brewing supplies and equipment.

4.5 Things to consider

- While some locals have been skeptical of the viability of restaurants beyond Fairmont’s traditional fare of hot dogs and pepperoni rolls, Fairmont’s current slate of independent restaurants downtown is thriving. The opening of the Grape Leaf has shown that local customers are extremely eager for new restaurants downtown.
- The owners of Fairmont’s two existing downtown anchor establishments, Joe N’ Throw and the Rambling Root, already anticipate the need to expand their businesses to larger physical locations within the next few years. Both the YMCA and Firehouse would offer abundant room for a large restaurant space that could house either business. As a result, the City and the Partnership should focus on maintaining strong relationships with these restaurants by helping them find appropriate sites downtown to accommodate their future expansion.
- The City should pursue food and beverage establishments that will add variety to downtown Fairmont’s current offerings. This will also help avoid direct competition with existing establishments as the market grows.
- While existing street parking is generally sufficient for current downtown usage, more will likely be needed to accommodate the significant number of customers a restaurant-brewery would attract. As a result, the City should address parking from the outset of this redevelopment effort.

5. CREATIVE SPACE

Community interest has been building over the last decade for establishing creative space for both the visual and performing arts in downtown Fairmont. Ongoing planning conversations have focused on the Firehouse as a potential venue for a redeveloped, mixed-use space combining residential housing with a music venue, art gallery, and space for creative tenants.

5.1 Performance and event space

Performance and event venues are in short supply in Fairmont, with relatively few buildings or spaces set up to accommodate concerts, performances, weddings, conferences, and other large events.

- Wallman Hall, the City’s main theater and auditorium, is located on the Fairmont State University campus.
Palatine Park features a pavilion that serves as a seasonal outdoor performance space for many well-attended concerts and community events.

The High Gate Carriage House is a popular wedding venue in Fairmont, which features space for up to 120 guests in the historic carriage house of the former James Edwin Watson’s estate.

Crystalline Events is a new company with a banquet hall on East Park Avenue that can hold up to 200 people for catered events.

Several years ago, the owners of the former People’s Temple renovated the 12,000-sf space as a modern event space known as the Gatherings (now Gatherings Meeting Space) with capacity for roughly 120 people. Under previous ownership, the space could be rented for special events including weddings, dinner theater shows, conferences, and other gatherings. Now owned by a church, it is still available as a community meeting space, though its availability for events has been reduced under its current ownership.

All available qualitative and quantitative data points to strong consumer demand for evening entertainment opportunities in downtown Fairmont. Existing businesses report that demand for event space significantly outpaces the current supply in Fairmont. In addition, multiple business owners and community leaders interviewed for this study observed that Fairmont residents are hungry for things to do in the evenings, particularly during the winter.

Restaurants downtown report that the evenings they offer live music and other evening entertainment such as trivia nights do well for their business. Short Story Brewing in Rivesville reports that on their weekly trivia nights they typically serve a full house of Fairmont customers who are eager to drive to enjoy the venue’s atmosphere, entertainment, and other offerings. Community members have repeatedly voiced a desire to see expanded space in Fairmont to grow opportunities for local live music, including performances by local youth PopShop bands.

Dinner theater shows have been very well received in Fairmont. The Marion County Public Library System has hosted a series of dinner theater events (in the Gatherings space downtown as well as the Knights of Columbus hall), in which they routinely sell out all 120 seats available and are forced to create a waiting list for the next show. The library charges a conservative $15 per ticket. The former for-profit Parables Events LLC ran similar traveling dinner theater shows for $40–80 per ticket, which would routinely sell out in Fairmont and other West Virginia cities. Such sales indicate a strong local market for evening theater shows already exists in Fairmont.

5.2 Arts and creative businesses

Recent community conversations and planning efforts have focused on creating an art gallery, studios, workshop, and/or teaching space in the Firehouse. As a result, the project team sought to document such demand for this study.

Fairmont is home to a number of independent artists and photographers, as well as several existing creative businesses, including:

- Allegheny Image Factory · media production;
- Fair Mountain Arts · digital media services;
- Mountain Craft Productions · video production;
- Mountain Creative · paint-your-own pottery;
- West Fork Pottery · handmade stoneware made at the Joe N’ Throw Coop Studio; and
- WV MotionWorks · video production (part of 304 Collective).

Of the artists and creative businesses we spoke with, sentiments on the merits of a brick and mortar space were quite mixed. Those renting or owning physical locations indicated being largely content
with their current space. Many others, however, indicated that their business models did not warrant and/or could not support a physical office/studio space. A wider informal survey of arts professionals in the area indicated that relatively few working artists in Marion County are at the level where they could currently afford market-rate rent for a studio space. However, several arts practitioners and creative entrepreneurs indicated strong interest in a coworking facility, particularly one that offered individual offices for rent—either as individual studios or offices. This finding further establishes the viability of a coworking space as a desirable end use.

Similarly, while there has been a long-standing desire to see a gallery or art store downtown that would feature the work of local artists, national trends and interviews with galleries around the state have indicated that brick and mortar art galleries are suffering a decline mimicking the overall retail decline nationwide. As a result, a formal gallery space would likely need to be underwritten as part of the programming of a larger entity in order to be financially viable as a prospective tenant. Perhaps a more feasible alternative would be to establish relationships with the future restaurant and coworking space tenants of the Firehouse and YMCA to prominently feature the artwork of local artists for patrons to view and purchase.

That said, there is certainly a quantifiable demand for arts programming locally and regionally, as shown by the Marion County Public Library System’s strong demand for the arts programming offered at their branches. And, as documented through a decade of community conversation, Fairmont at large is ripe with opportunity to develop into a more substantive arts community.

Two factors could drastically impact Fairmont’s ability to capitalize on these opportunities.

- First, while the cultivation of an arts community can happen organically in some places, in other places it requires the presence of a dedicated arts organization that orchestrates programming and implements the community’s vision for arts development. Such organizations frequently form as independent nonprofit organizations, which enables them to subsidize studio space, workshops, a gallery, and other programming through grants and other fundraising efforts. Establishing (or formalizing) such an organization in Fairmont would likely provide a critical boost that could greatly enhance the viability of future artistic spaces. One possible contender could be the Marion County Arts & Humanities Council (MCAHC), a nonprofit organization that is dedicated to supporting, developing, and enriching cultural and artistic expression in our community.

- Second, based on the ability and willingness of developer-landlords, flexible lease terms can also smooth the way for enabling community organizations and programming to take root in a community. The Woodburn School in nearby Morgantown offers an example wherein a city acquired and repurposed a historic former school as a community center in which local nonprofit organizations (PopShop WV, Friends of Deckers Creek, MT Pockets Community Theater, and Mountaineer Boys & Girls Club) rent office space at subsidized rates. While the majority of the space within the Firehouse and YMCA would likely need to be rented at market rate, some space could be carved out to offer reduced-rate space dedicated to community purposes.

5.3 **Feasibility determination**

In order to make the redevelopment of the YMCA and the Firehouse worthwhile to developers, the buildings must have strong potential to recoup the initial redevelopment cost via rental income. We believe that this can be accomplished and still have space left over that could be used for community development.
Existing performance and event spaces in Fairmont, though extremely limited, have proven to be fairly profitable enterprises. As a result, the market feasibility for a large rental hall/auditorium within the Firehouse and/or the YMCA is very strong. In particular, the main floor ballroom in the YMCA would be an optimum event space. Consideration should also be given to incorporating additional performance space within any future restaurants or bars—particularly the proposed brewery/restaurant for the Firehouse—to allow for live music and other entertainment at those venues.

Given the desire for more evening entertainment opportunities, Fairmont could also capitalize on building a live music presence downtown. However, building a reputation for a live music venue does not happen overnight: Notable West Virginia venues such as 123 Pleasant Street in Morgantown and the Purple Fiddle in Thomas have been decades in the making, and the success of these venues hinged on having the right leader with the necessary connections, passion, and commitment. As a result, any one of Fairmont’s current (or future) establishments could build a reputation for live music at their venue, but it will likely depend on finding an enthusiastic individual or group that would like to commit to booking live music on a regular basis.

The financial outlook for spaces dedicated to the visual arts is less rosy from a developer’s perspective, though a demand for such spaces is nonetheless strongly felt within the community. Given the benefit such spaces would provide the community, careful thought should be given to consider ways to either subsidize and/or creatively incorporate such spaces with other more viable uses.

Rather than developing spaces specifically for artists, developers should prioritize creating flexible, multi-purpose spaces in conjunction with a coworking facility. Focusing on such flexible spaces offers the surest return for developers while also providing space to meet a wide range of community needs. Single offices can be used by small businesses, yet they can also function well as individual studios for artists. Similarly, conference and/or meeting rooms in a coworking facility can be used for conventional meetings or business trainings, yet such spaces would also function well for group art workshops and similar programming. As a result, developers should consider expanding the space allocated for individual offices and meeting rooms in a coworking facility to meet the needs of future creative tenants.

In the short term, local arts organizers should work with the developers and tenants to arrange for the work of local artists to be featured prominently for patrons to view and purchase. Such an arrangement would be mutually beneficial for artists, tenants, and patrons. This will ensure that local arts have a place in downtown while arts organizers grow their capacity for a dedicated gallery space.

5.4 Things to consider

- The Fairmont community is eager to see the arts promoted within the city. In order to better organize and move forward with the community’s vision for promoting the arts, Fairmont should focus on building the capacity of organizations dedicated to spearheading arts programming and promotion efforts. MCAHC and the Marion County Public Library System would be key stakeholders in moving this ball forward.
- Similarly, Fairmont would benefit from additional entrepreneurial support mechanisms to build the capacity of small businesses and creative enterprises locally. Arts and creative businesses often need support and business coaching in order to realize their full potential as viable enterprises. Statewide entities such as the Tamarack Foundation for the Arts can help
arts organizers in Fairmont move such concepts forward. (See more information in the Implementation Guide.)

- The presence of Fairmont State University and Pierpont Community and Technical College in Fairmont presents a significant opportunity for collaboration with regards to the performing and visual arts. Enhancing arts-focused collaborations with these two colleges could open the door for increased attendance and promotion of shows, performances, art exhibits downtown.

### 6. OVERALL END-USE RECOMMENDATIONS

In conclusion, this study establishes the market viability of market-rate housing, coworking, restaurant, and creative space in downtown Fairmont. While these end uses could be successfully allocated in a number of ways within the YMCA and the Firehouse, the authors present the following recommendations as a mix of end uses that would be financially viable for development in these two buildings.

**Table 10: End use space allocation by floor**

<table>
<thead>
<tr>
<th>Floor</th>
<th>YMCA</th>
<th>Firehouse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement level</td>
<td>Storage or restored features for tenants</td>
<td>Brewery or nonprofit space</td>
</tr>
<tr>
<td>First floor</td>
<td>Coworking and event space</td>
<td>Brewery-restaurant</td>
</tr>
<tr>
<td>Second floor</td>
<td>Market rate apartments with additional coworking/event space above the ballroom</td>
<td>Market rate apartments</td>
</tr>
<tr>
<td>Third floor</td>
<td>Market rate apartments</td>
<td>Market rate apartments</td>
</tr>
<tr>
<td>Fourth floor</td>
<td>Market rate apartments</td>
<td>N/A</td>
</tr>
</tbody>
</table>

#### 6.1 YMCA

The YMCA has four floors above-grade, totaling approximately 22,500 sf. We recommend that the developer focus on this area of the building. The basement floors present an opportunity to add complementary facilities; however, the below-grade space is not likely to fetch significant rent independent of what is happening on the above-grade floors, so it should be viewed as complementary space. A bowling alley and a swimming pool are currently in the basement. These could be restored for use by the tenants above, or the space could be used for storage. Either way, we don’t view this area as rent-producing space, but rather as an area for additional amenities.

A coworking facility couples a strong financial outlook with tremendous flexibility to meet the needs of businesses, entrepreneurs, and individual artists in Fairmont. As a result, we recommend maximizing available space for a coworking facility. We envision the entire first floor of the YMCA (5,625 sf), along with about one-third of the second floor (1,875 sf) overlooking the first-floor ballroom along the former track as suitable for a unique space combining coworking with special event rentals in the ballroom and individual conference rooms. Assuming the space was built out to offer 10 individual offices for rent, conference/event rentals in the ballroom, and a conservative estimate of 50 individual coworking patrons at $75 per month, we expect the developer could gross $8,325 per month, $99,900 annually, in this 7,500-sf space.

About one-third of the square footage on the second floor will be lost to the build out of the ballroom on the first floor. However, the remaining ~3,750 sf of this floor and the entire ~5,625 sf of the third floor should be built out as a mixture of one bedroom and studio apartments. Based on our review of the rent prices in Fairmont and interviews with landlords in the downtown area, we believe these spaces could reasonably fetch $800–$850 per unit.
The fourth floor should be dedicated to five two-bedroom penthouse apartments. Based on our review of the rent price index in Fairmont and our interviews with landlords in the downtown area, we believe these spaces could reasonably fetch $1,350 per unit.

Under this housing development scenario, the second, third, and fourth floors of the YMCA could produce approximately $13,000 dollars per month in rent, $160,000 per year.

### 6.2 Firehouse

The Firehouse has approximately 28,000 sf spread across five floors (three above grade).

The main floor of the Firehouse is ideally positioned to serve as a restaurant-brewery. The garage bay portion of the building along Monroe Street would make an ideal space for a bar and restaurant seating, and the adjacent front office space could serve as additional dining room for private parties. With its tall ceilings, the basement could also serve as an additional brewing space, though the space could also be used for complementary facilities or space for local nonprofits, such as PopShop WV.

Based on our analysis, we believe the main floor could bring in rents of approximately $2,500 per month in rent. However, it should be noted that leasing can be complicated for breweries, given the amount of specialized equipment needed; as a result, facilities planning to brew on-site may prefer to buy rather than rent space.

The top two floors of the Firehouse present an estimated 11,000 sf of opportunity for market-rate housing. Given the limited parking available on-site, the developer should prioritize studio and one-bedroom apartments over larger units. Building out only studio and one-bedroom apartments, 15 units could reasonably fit into this space. Under this scenario, these floors could produce more than $12,000 per rent each month and nearly $150,000 per year.

The adjacent A.J. Hays building presents immense opportunity for complementary facilities, namely parking and an outdoor space for the brewery-restaurant. The building has been badly damaged by a recent fire and is in a dilapidated state; however, the façade could be saved and a concrete parking structure erected from Cleveland Avenue to Monroe Street. The top of the concrete structure, at main-street level on Monroe Street, could be used as an outdoor seating area for the brewery/restaurant.

### 7. IMPLEMENTATION GUIDE

The following sections offer practical recommendations and available resources to guide the City of Fairmont as they move forward with the redevelopment of downtown.
7.1 Best Practices

**Trail-oriented development.** The P2P poses a great economic opportunity for Fairmont. While the trail will undoubtedly bring tourists to Fairmont, it will likely follow in Morgantown’s example as a local transportation and recreation hub. More than 205,000 people visit the Mon River Trails System trails annually, which contributes more than $6 million annually to the greater Morgantown area. (Belanger et al, 2018)

Recent studies have documented the Mon River Trails System’s positive impact on improving quality of life and vibrancy along the waterfront rail-trail corridor. Businesses across a broad range of professional sectors—including those not directly impacted by the trails—find that the presence of the rail-trail helps them attract and retain talented employees. (Belanger et al, 2018; WVUToday, 2019)

Morgantown and countless other rail-trail communities have learned a number of key lessons that apply to other current and future trail towns, including this central tenet: In order to reap the economic benefits of a trail project, the trail must be connected to a town with businesses where trail users can spend their money (The Progress Fund, 2019).

As a result, Fairmont’s ability to reap the full economic benefits of the P2P Trail relies on connecting downtown to the rail-trail. The City has identified the Nickel Bridge as a potential connector bridge for cyclists and pedestrians and is actively seeking grants to fund this development. Pursuing this connection to link downtown to the rail-trail (and Palatine Park) should be forefront on the City’s agenda moving forward.

**Downtown streetscape improvements.** Similarly, for Fairmont to realize the revitalization envisioned for its downtown, it must prioritize enhancing the safety and appeal of its urban streetscapes. Numerous local stakeholders interviewed for this study cited a common vision for downtown Fairmont as a vibrant center with inviting streetscapes and safe, well-lit sidewalks connecting an assortment of restaurants, bars, shops, and other businesses. Fairmont’s Comprehensive Plan Update highlights the issues of wayfinding, sidewalks, lighting, and overall streetscapes as opportunities for improvement and offers concrete recommendations for addressing these topic areas, though little action has been taken to implement these recommendations thus far (Mackin, 2018). Implementing these recommendations to enhance downtown’s streetscapes in terms of safety, appearance, and wayfinding—particularly for future rail-trail users—will be critical for achieving the community’s collective vision for downtown.

**Parking.** Parking has proven to be a contentious issue. Among businesses and stakeholders consulted for this report, some feel that available parking in downtown Fairmont is currently adequate to meet existing needs, whereas others feel that the current availability of parking is altogether inadequate. Regardless, the overall availability of downtown parking would change drastically with the addition of more than 20 residential units, a brewery-restaurant, and a coworking space. For example, since most of downtown’s metered spaces allow two-hour parking, designated parking would need to be available to accommodate residents in any newly-renovated apartments. As a result, the City and developers should consider the future parking demand downtown and begin planning conversations early.
Entrepreneurship. Entrepreneurs take risks—sometimes significant ones—to fulfill a need they see in society. New products or services provided by entrepreneurs spur economic growth by stimulating related sectors that support the new venture. This, in turn, brings new wealth into communities. Entrepreneurs also create and nurture social change. (Seth, 2019) An increase in entrepreneurial activity would be positive for Fairmont.

Entrepreneurial efforts at the Firehouse, YMCA, or other locations in Fairmont are most likely to succeed if they are connected to the area’s established entrepreneurial ecosystem. As illustrated in Figure 5, the entrepreneurial ecosystem includes six domains that interact with each other in complex ways.

**Figure 5: The entrepreneurial ecosystem**

![Diagram of the entrepreneurial ecosystem](source: Isenburg, 2014)
Table 11: Components of the entrepreneurial ecosystem

| Finance | In addition to conventional loans and other means of debt financing, new business owners at the YMCA or Firehouse may have access to grants or tax credits (See the following section on Available Resources.) Financing is not always cash; it can also be an in-kind contribution to a project. For example, as mentioned above, a prominent Fairmont restaurant paid rent on a sliding scale for its first three years, which was a game-changer for the new business. Stakeholders should consider offering free or reduced rent during a certain defined period, in order to help attract entrepreneurs to set up shop in the YMCA and Firehouse. |
| Culture | Fairmont has taken part of a number of capacity-focused programs over the years sponsored by the West Virginia Community Development Hub, Main Street America, FHLBank of Pittsburgh, and others. Today the Fairmont Community Development Partnership is a key player in fostering a culture of entrepreneurship Fairmont. The program facilitates community-based support and encouragement for entrepreneurs. In addition, Pierpont Community and Technical College signed the National Association for Community College Presidents for Entrepreneurship Pledge, making five commitments to entrepreneurship: • Create or expand internal and external teams dedicated to entrepreneurship. • Increase entrepreneurs’ engagement in community colleges. • Engage in industry cluster development. • Leverage community college and community assets to spur innovation and job creation. • Create “buzz” and broad exposure of the college’s commitment to entrepreneurship. Stakeholders should communicate with Pierpont to find concrete steps that the college can take to link entrepreneurship in Fairmont with the use of the YMCA and Firehouse. |
| Support | New business owners in Fairmont are fortunate to have an abundance of support organizations to help them get started and navigate business ownership, as outlined in the following section of this Implementation Guide. Stakeholders should ensure that entrepreneurs considering the YMCA and Firehouse are connected with these existing resources. |
| Human capital | Fairmont State University, West Virginia University, and Pierpont Community and Technical College are located nearby and provide a steady stream of human capital for businesses in Fairmont. In addition, programs like NewForce are helping to cultivate a pool of skilled workers to fuel Fairmont’s tech industry. Stakeholders should communicate with these institutions to ensure that programs are available to support the development of human capital that is desirable for the enterprises that ultimately locate at the YMCA and Firehouse. |
| Markets | The specific markets targeted for enterprises at the YMCA or Firehouse will depend on the specific enterprises. However, the most immediate, accessible market includes people that currently live in the area. As touched on in the introduction, Fairmont boasts a growing segment of young adults and is more diverse than West Virginia as a whole. Stakeholders should support entrepreneurs considering siting at the YMCA and Firehouse by providing available data and information about existing markets in Fairmont, Marion County, and the north-central region of West Virginia. |
| Policy | State and local governments can take several steps to promote entrepreneurship through policies that shape the regulatory environment to accommodate entrepreneurs. In Fairmont, these include: Offer clear guidelines on planning and zoning requirements. Entrepreneurs consistently report land use and zoning regulations as a difficulty (Motoyama and Wiens, 2015). Providing a guide for navigating local planning and zoning requirements is a great way to assist new businesses in navigating these regulations. Welcome immigrants and diversity. Generally, immigrants are more likely to start a business than native-born Americans, and in recent years, immigrants have had nearly double the rate of entrepreneurial activity as native-born persons (Fairlie, 2014). Even something as simple as an inclusive welcome statement is a good way to make new entrepreneurs feel welcome in Fairmont. For reference, the City of Morgantown’s welcome statement reads: “Welcome to Morgantown! The City of Morgantown welcomes all people regardless of race, religion, national origin, sex, gender, identity, sexual orientation, color, ancestry, age, abilities, blindness, economic or family status, or life situation. We strive to be an inclusive community for our residents and visitors. We ask everyone to act with a helpful intent to respond to each other with civility, and treat our environment with respect.” Stakeholders should work with the City of Fairmont to offer clear guidelines on planning and zoning requirements and to draft a welcome statement. |
7.2 Available resources

There are several resources that stakeholders of these and similar projects should take advantage of in Fairmont.

7.2.1 Business development and assistance programs

The Marion County Chamber of Commerce - The Marion County Chamber of Commerce helps owners and leaders from area businesses understand the requirements of doing business in Marion County. The chamber’s Small Business Division is charged with creating an environment that sustains and increases the business base while decreasing the cost of doing business for chamber members. The division offers a complete Business Guide that serves as an excellent resource for both start-ups and existing companies.

WVU Law Entrepreneurship and Innovation Law Clinic - The Entrepreneurship and Innovation Law Clinic provides essential, pro-bono, corporate legal services to small businesses, social enterprises, nonprofits, and individual entrepreneurs in West Virginia.

The West Virginia Community Business Center - The WV Community Business Center offers support, coaching, mentorship and training to help entrepreneurs succeed in West Virginia. Through a host of services and resources, the center assists in all stages of business development.

The West Virginia Small Business Development Center - The West Virginia Small Business Development Center provides expert guidance to help small businesses succeed. It employs a statewide network of business coaches that partner with entrepreneurs and collaborate with each other to help move small businesses to the next level. It operates an office in Fairmont at the High Technology Foundation.

7.3 Grant programs for building redevelopment

West Virginia Cultural Facilities and Capital Resources Grant - Used for acquisition of real property, renovation or construction, or equipment purchase. Priority is given to projects that increase or assure public access to the arts, involve collaborations and partnerships that leverage additional public and private investment. Funds are awarded in five levels ranging from $2,500 to $500,000. More information is at: http://www.wvculture.org/arts/grants.html.

West Virginia State Development Grants - Used for the rehabilitation of properties listed in the National Register of Historic Places or as contributing structures in a historic district or archaeological site. Doesn’t fund anything less than $1,000 and only supports 50% of the project costs. A 50% cash match is required. Grant applications are generally due in March. More information is at: http://www.wvculture.org/shpo/GrantManual/development.html.

West Virginia Governor’s Community Participation Grant Program - Provides state funds for community and economic development projects. Eligible activities include community centers, libraries, construction and renovation of public spaces, preservation and beautification, and land and property acquisition. Funds are provided to units of local government. More information is at: https://wvcad.org/sustainability/community-participation-grant-program.

West Virginia Land and Water Conservation Fund - Available to local government, park boards, commissions, districts, and state government for renovation of outdoor facilities such as support facilities (bathrooms), visitor information centers, or interpretative centers. More information is at: https://wvcad.org/infrastructure/land-and-water-conservation-fund.

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1 Preservation Alliance of West Virginia, 2019
West Virginia Small Cities Block Grant - Provides funds to local governments or for non-profits that have a sub-grant agreement with the unit of local government for activities such as community centers, economic development, acquisition, preservation and beautification, and community facilities restoration. More information is at: https://wvcad.org/infrastructure/community-development-block-grant.

As a member of Main Street America, Main Street Fairmont would be eligible to apply for the following grant opportunities:

- **Johanna Favrot Fund for Historic Preservation** - Funds for planning activities and education efforts focused on preservation. Awards range from $2,500 to $10,000 for projects that contribute to the preservation or recapture of an authentic sense of place. More information is at: http://forum.savingplaces.org/build/funding/grant-seekers/specialprograms/favrot-fund.

- **Cynthia Woods Mitchell Fund for Historic Interiors** - Funds projects to preserve, restore, and interpret historic interiors. Awards range from $2,500 to $15,000. More information is at: http://forum.savingplaces.org/build/funding/grant-seekers/specialprograms/cynthia-woods-mitchell-fund.

- **Henry A. Jordan, M.D. Preservation Fund** - Provides funding to deserving organizations demonstrating commitment to the protection of natural and cultural resources in the Mid-Atlantic region, which includes West Virginia. Individual awards typically range from $1,000 to $2,000, but applicants can apply for up to $5,000. More information is at: http://forum.savingplaces.org/build/funding/grant-seekers/specialprograms/jordan-fund.

- **Hart Family Fund for Small Towns** - Funds preservation at the local level by providing seed money for preservation projects in small towns with a population of less than 5,000 people. Awards generally range from $2,500 to $15,000. More information is at: http://forum.savingplaces.org/build/funding/grant-seekers/specialprograms/hart-family-fund.

### 7.3.1 Tax credits

Both the YMCA and Firehouse properties are listed as a contributing member to the downtown Fairmont National Register Historic District which allows them to qualify for Federal and State rehabilitation tax credits.

**West Virginia Commercial Rehabilitation Tax Credit** - A 20% federal income tax credit and a 25% state income tax credit are available for the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Park Service, to be “certified historic structures.” Properties must be individually listed in the National Register of Historic Places or listed as a contributing building within a historic district. More information is at: http://www.wvculture.org/shpo/taxcredit.html and https://www.occ.gov/topics/community-affairs/publications/fact-sheets/pub-fact-sheet-historic-tax-credits-jul-2017.pdf.

**West Virginia Residential Rehabilitation Tax Credit** - A 20% state income tax credit, which is based on qualified expenditures undertaken as part of the rehabilitation to a historic private residence. The credit is applied directly against taxes owed by the owner. This credit is available to private homeowners for approved rehabilitation work on their own residence. The building must be either individually listed or a contributing building in an historic district listed in the National Register of Historic Places. More information is at: http://www.wvculture.org/shpo/tcres.html.

**New Markets Tax Credit** - The New Markets Tax Credits Program attracts private capital into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial
intermediaries called Community Development Entities. The credit totals 39% of the original investment amount and is claimed over a period of seven years. More information is at: https://www.cdfifund.gov/programs-training/Programs/new-markets-tax-credit/Pages/default.aspx.

7.3.2 Opportunity zones

Opportunity zones were added to the federal tax code in 2017 and were only recently designated in West Virginia. Opportunity zones are designed to spur economic development by providing tax benefits to investors. Investors can defer tax on prior gains invested in a Qualified Opportunity Fund (QOF). Investors may also be eligible for an increase in basis of the QOF investment. In addition to these federal incentives, the West Virginia Legislature passed, and the governor signed, a bill to provide additional incentives to investors in West Virginia opportunity zones; this bill takes effect September 22, 2019. More information is at: https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions and https://westvirginia.gov/opportunity-zones/.

SOURCES


APPENDIX A: FAIRMONT HISTORIC PRESERVATION REVIEW PROCESS

Source: City of Fairmont, 2014.