



ORANGE COUNTY

## Sale begins new chapter for Hillsborough's Colonial Inn

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January 10, 2018 01:45 PM  
Updated January 10, 2018 05:53 PM

HILLSBOROUGH — A new owner signed the deed Monday to buy the historic Colonial Inn in downtown Hillsborough.

County documents show Allied DevCorp. LLC paid \$800,000 – \$75,000 less than the list price – for the 10,000-square-foot inn at 153 W. King St.

The company is managed by Justin Fejfar, a principal and co-founder of FDR Engineers in Research Triangle Park. Fejfar has more than 20 years of experience in commercial, industrial and residential building design, according to the company's website.

Hillsborough attorney Sam Coleman, who handled the deal for the buyers, has said the team includes experts in engineering, architecture, construction, and the restaurant and hospitality industry. They have had the inn under contract since November and plan to revive the building as a boutique hotel with a restaurant, bar and small event space.

They also will seek input from the community about the inn's future, Coleman said. A rezoning and development application could be submitted to the town by spring at the earliest, he said, and will depend on the complexity of the details.

Hillsborough Mayor Tom Stevens briefly met the buyers when they were considering the deal but said Wednesday he “would be hard-pressed right now to even name which ones I met.”

He's “very happy” to see them buy the inn, which “is an important landmark, not just historically, but in the life of the town,” Stevens said.

“First and foremost, we wanted to see the building get preserved for future generations,” he said. “And certainly, secondarily, we would want to see it put to some kind of good use – preferably something that the public can enjoy.”

The plans that have been discussed are “probably the best that we would expect anybody to do,” he said.

The Colonial Inn is listed in the National Register of Historic Places and is considered a structure contributing to Hillsborough’s historic district.

That means the team will be able to take advantage of state and federal tax credits for the renovation and repair of historic properties, although the federal historic tax credit, established in the 1970s, was changed in the recently approved federal tax reform law. While developers still can seek the 20 percent credit on eligible expenses, it will be paid out over five years instead of all at once when a restored building opens.

Coleman said the buyers have several other historical tax credit projects in North Carolina and would preserve as much of the inn’s original structure as possible. It was built in 1838 as a hotel for travelers. It later became a popular restaurant, which closed in 2001.

The previous owner, Francis Henry, bought the inn at auction in 2001 for \$440,000.

It has fallen into disrepair since then as Henry wrestled with the town over repairs and how he could use the property. The town filed an eminent-domain action in July 2014 but reached a mediated agreement in April that gave Henry a year to sell the inn to new owners.

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