

# Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)  
From: DMC Staff  
Date: September 9, 2020  
RE: Exterior Improvement Grant Request, 113 Madison Ave

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The enclosed Exterior Improvement Grant application has been submitted for consideration at the September 16, 2020, CCDC Board Meeting.

**Project:** **113 Madison Ave**

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Applicant/Property Owner: Gustavo Bermudez  
1322 Madison Ave  
Memphis, TN 38104

Applicant's Request: Exterior Improvement Grant in an amount up to \$80,000.

Project Description: The subject property is a two-story commercial building with approximately 7,624 sq. ft. of interior space (ca. 1890). Over the years, the building's exterior has been heavily modified. All of the windows along November 6<sup>th</sup> St. have been filled, and the second floor windows have been entirely covered with glazed brick.

The applicant is the owner of Los Comales, a successful Mexican restaurant with two existing locations in Memphis. The owner plans to renovate 113 Madison to serve as a new restaurant location. This renovation will include extensive exterior work. New windows will be installed on November 6<sup>th</sup> St. where the original windows were previously bricked up. The mid-century glazed brick covering the second floor will be removed, and new second floor windows and double doors that open onto balconies will be installed. The existing recessed storefront will be replaced with a new storefront consisting of three large arched doors.

EIG Budget: The Exterior Improvement Grant (EIG) is designed to help Downtown commercial property owners make high-quality improvements to the exteriors of Downtown buildings. These improvements help businesses draw customers by enhancing curb appeal, increase walkability by adding

street-level interest, and increase neighborhood property values.

The Exterior Improvement Grant is for exterior work only and requires a 1 to 1 match from the applicant. The maximum grant for this location (Targeted Retail Node) is \$80,000.

The following budget describes the EIG scope:

**Sources:**

Owner’s Match	\$93,000	(54%)
CCDC EIG	\$80,000	(46%)
<b>Total Sources</b>	<b>\$173,000</b>	<b>(100%)</b>

**Uses:**

Brick Removal	\$17,500	(10%)
Parapet Repair	\$28,000	(16%)
New Brick (Façade)	\$22,000	(13%)
Masonry Repair (Alley)	\$5,000	(3%)
Concrete Walk Repair (Alley)	\$4,500	(3%)
New Windows & Doors	\$42,000	(24%)
Stone Work	\$24,000	(14%)
Exterior Lighting	\$6,000	(3%)
Brick Repair & Paint (Alley)	\$14,500	(8%)
Design Fees	\$9,500	(5%)
<b>Total Uses</b>	<b>\$173,000</b>	<b>(100%)</b>

Design Review: The applicant will submit design plans to the DRB in the coming months.

EBO Program: Any project that is awarded financial incentives from the Downtown Memphis Commission (DMC) shall include a best faith effort to reach no less than 25% participation by minority and/or women owned businesses (MWBE) in the project's development cost (design and construction hard costs). Compliance with this Equal Business Opportunity (EBO) Program is a closing requirement. **If the requirements of the EBO Program are not met, the CCDC will cancel the incentive.**

Outreach & Inclusion Plan: The specific steps required for each applicant to be compliant with the DMC’s EBO Program takes into consideration the size, scope of work, and development costs associated with the project. At the time of incentive application, it is typically too early to identify specific

contractors or sub-contractors that will ultimately be involved in the construction. However, the applicant has a clear understanding of the EBO Program and has worked with DMC staff to identify the following key steps that will be included in their Outreach & Inclusion Plan:

- The applicant will use the City of Memphis Business Diversity & Compliance Registry and the resources at the Shelby County Office of Equal Opportunity Compliance to identify qualified general contractors and tradespeople to perform the needed work.
- The applicant will contact a minimum of 3 certified MWBE general contractors and proactively invite them to submit a bid.
- Once a general contractor is identified, the applicant will contact a minimum of 3 certified MWBE businesses for each trade or type of subcontractor needed, and provide each a fair opportunity to submit a bid and be considered for the work.
- Once the service providers have been identified, the applicant will submit the form titled “Proposed Utilization Plan” to DMC staff for review and approval. The applicant will also be asked to provide a full record of the outreach steps taken and the results thus far. This documentation can include items such as a phone call log, copies of emails, meeting notes, and similar materials.
- After construction has started, the applicant will provide monthly updates to DMC staff detailing the project status and level of MWBE involvement at each major phase of the project.

Minimum MWBE Goal: With an estimated EIG budget of \$173,000, a 25% level of MWBE inclusion for that work is approximately **\$43,250.**

Staff Evaluation: The DMC’s Strategic Plan encourages facilitating and accelerating real estate development, incentivizing Downtown development when necessary to increase investment and economic development, and fighting blight to improve the visual appearance of the built environment Downtown.

The subject property has been vacant for over a decade, and an obstacle to achieving more vibrancy at the crucial intersection of Main and Madison. Converting this long-term vacancy into an active restaurant managed by an experienced local operator will be a step toward a stronger Madison corridor. From a design perspective, the proposed exterior renovations open up what was once a largely blank façade, significantly improving the building’s relationship with the street. The project will also build on other recently incentivized projects on Madison that promise to increase street-level activity, including 111 Madison, which is adjacent to the subject project, and 150 Madison.

**Recommendation:**

**Staff recommends approval of an Exterior Improvement Grant in an amount up to \$80,000, based on approved receipts and subject to all standard closing requirements and conditions.**