

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: October 20, 2021
RE: Exterior Improvement Grant Request, 24 S Main

The enclosed Exterior Improvement Grant application has been submitted for consideration at the October 27, 2021, CCDC Board Meeting.

Project: **24 S Main**

Applicant: Praveen Reddy
10520 Larson Bay Ln
Collierville, TN 38017

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

Project Description: The applicant is the owner of 24 S. Main, a historic 3-story commercial building on the Main Street Mall, located on the east side of Main Street between Madison and Monroe. The building, which was built circa 1910, has lost much of its original character due to poor exterior alterations over the years. Most notably, the original brick work and architectural details on the upper floors have been completely covered by stucco siding.

The owner plans on performing a complete renovation of the building, including a significant amount of restoration on the building's Main Street façade. The existing exterior stucco will be removed, and the building's original masonry will be repaired and restored to the greatest possible extent. New windows that match the building's historic windows will be installed on the upper floors. The building's ground floor commercial space, which is currently divided into two narrow bays, will be united into one larger bay, with a new storefront system.

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 (Main Street Mall) is \$80,000.

The following budget describes the EIG scope:

Sources:

Applicant's Match	\$163,000	(67%)
CCDC EIG	\$80,000	(33%)
Total Sources	\$243,000	(100%)

Uses:

Exterior façade demolition	\$18,000	(7%)
Exterior structural repair	\$35,000	(14%)
Metals & framing	\$10,500	(4%)
Glass & glazing	\$45,000	(19%)
Exterior doors & hardware	\$16,000	(7%)
Brick repair & detailing	\$80,000	(33%)
Electrical & lighting	\$20,500	(8%)
Other repairs	\$10,000	(4%)
Signage	\$8,000	(3%)
Total Uses	\$243,000	(100%)

The estimated budget for the complete building renovation (including interior work) is as follows:

Item:

Construction	\$1,277,103	(78%)
GC Fees & Permitting	\$204,236	(12%)
Professional Fees	\$102,168	(6%)
Contingency	\$63,855	(4%)
Total	\$1,647,463	(100%)

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 construction cost of \$1,277,103, a 25% level of MWBE inclusion for the full project is approximately **\$319,276**

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 at 24 S. Main is a historic building located in the heart of the Main Street Mall, Downtown's premier pedestrian corridor. But the current treatment of the building's exterior hides its historic character, and the building's upper floors have been vacant for years. The complete renovation of the building, including the restoration of its exterior, will turn a mostly-vacant building into an active property that contributes to the vibrancy and character of Main Street.

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.