



To: Center City Development Corporation (CCDC) Board of Directors
 From: DMC Staff
 Date: December 9, 2020 (Board meeting scheduled for December 16, 2020)
 RE: Special Retention & Development Grant Request – 317 N. Main St. (Alcencia’s)

Background:

Ms. Betty Joyce (BJ) Chester-Tamayo has owned and operated Alcencia’s restaurant since 1997. A landmark in the Pinch District, the restaurant is well-loved by locals, visitors, and international tourists. With an out-of-town property owner, the potential exists for this business to be displaced in the event of a property sale. An opportunity now exists for Ms. Chester-Tamayo to purchase the building and become her own landlord. The CCDC is being asked to contribute a special grant of \$60,000 to help cover the cost of deferred maintenance and key property improvements needed to position Alcencia’s for future success at the current location. This effort represents a strategic partnership between Alcencia’s, Memphis Medical District Collaborative (MMDC), River City Capital, EpiCenter, Downtown Memphis Commission (DMC), and the CCDC.

Scope of Work:

The existing building is a one-story commercial structure (ca.1949) with two storefront bays. Alcencia’s will remain located in the northernmost bay, leaving the other bay open for a future commercial tenant. The total building area is approximately 2,066 sq. ft. The CCDC grant would be used to make permanent building improvements including roof repairs, upgrade the plumbing and electrical systems, and replace interior flooring and finishes. Exterior work under the CCDC grant will include the addition of an outdoor dining area, exterior painting, and cosmetic upgrades to the façade.

Project Budget:

Sources

MMDC Special Business Support Grant	\$50,000	17%
River City Capital Loan	\$150,000	52%
CCDC Retention & Development Grant	\$60,000	21%
EpiCenter Grant (Pending)	\$15,000	5%
Owner’s Equity	\$13,275	5%
TOTAL SOURCES	\$288,275	100%

Uses		
Building Purchase	\$200,000	69.5%
Inspection	\$475	0%
Roof Repair*	\$20,500	7%
Demolition/Site Work*	\$7,500	2.5%
Dumpster Service	\$1,575	1%
Dining Room Flooring/Painting*	\$11,500	4%
Bathroom Tile/Plumbing/Electrical*	\$6,500	2%
Office Door/Flooring/Plumbing*	\$2,500	1%
Kitchen Remodel	\$9,525	3%
Kitchen Floor*	\$6,800	2%
Exterior Front Windows*	\$1,500	1%
Exterior Painting*	\$7,200	2.5%
Exterior Door for New Patio*	\$3,800	1%
New Outdoor Patio*	\$7,200	2.5%
Permits	\$1,700	1%
TOTAL USES	\$288,275	100%
 *Scope Items Eligible for CCDC Grant	 \$75,000	 26%

EBO Program:

Any project that is awarded a financial incentive from the DMC must comply with the Equal Businesses Opportunity (EBO) Program. The EBO program requires that the applicant make a best faith effort to reach no less than 25% participation by minority and women-owned businesses (MWBE) for the portion of the project scope that is eligible for bidding or subcontracting. The portion of a project subject to meeting the EBO requirements typically involves the hard and soft costs for design and construction.

Based on the preliminary budget, eligible hard construction costs total approximately \$84,525, not including items such as building purchase, dumpster rental, permitting, or inspection fees. Using that estimate, the minimum goal (25%) for MWBE participation in the project would be **\$21,131**. The applicant is firmly committed to meeting or exceeding the goal through an open and inclusive outreach and bidding process.

Staff Request:

Staff is in full support of approving a special grant request in an amount **up to \$60,000** to help Ms. Chester-Tamayo purchase 317 N. Main and make the physical improvements necessary to continue business at the location. This strategic grant will help retain an important Downtown landmark that has anchored the Pinch District for over 20 years. Staff suggests that the grant be reimbursable but structured as a series of draws at the appropriate project phases.