

# Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)  
From: DMC Staff  
Date: February 10, 2021  
RE: Exterior Improvement Grant Request, Good Fortune Company – 361 S Main

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The enclosed Exterior Improvement Grant application has been submitted for consideration at the February 17, 2021, CCDC Board Meeting.

**Project:** Good Fortune Company – 361 S Main

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Applicant: Sarah Cai  
284 West Central Park St.  
Memphis, TN 38111

Property Owner: Ed Cabigao  
5040 Sanderlin Ave, Suite 105  
Memphis, TN 38117

Applicant's Request: Exterior Improvement Grant in an amount up to \$10,060.

Project Description: The applicant is the owner of Good Fortune Company, a new full-service restaurant that plans to open in 361 S. Main. This building was formerly occupied by South of Beale, which is in the process of moving to a new ground-floor space in the adjacent Ambassador Hotel redevelopment.

The applicant is proposing a package of exterior improvements to the building that will help make the building an even more welcoming presence on South Main. A new awning above the storefront windows will provide curb appeal and shade for pedestrians and patrons. New planters and benches will create a more comfortable streetscape. The storefront windows, which are currently tinted, will be de-tinted to allow for more visibility into the space. The applicant also would like to enclose the existing patio to make it viable for year-round dining, a strategy that several other Main Street restaurants have pursued while dealing with the challenges of the COVID pandemic. Other improvements will include painting and adding additional lights to the patio, and installing high-quality new signage.

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 (South Main target area) is \$80,000.

The following budget describes the EIG scope:

**Sources:**

Applicant’s Equity	\$10,060	(50%)
CCDC EIG	\$10,060	(50%)
<b>Total Sources</b>	<b>\$20,120</b>	<b>(100%)</b>

**Uses:**

Awning	\$2,500	(12.4%)
Signage	\$4,400	(21.9%)
Lighting	\$300	(1.5%)
Permanent Benches	\$1,720	(8.5%)
Planters	\$2,000	(9.9%)
De-Tint Windows	\$1,700	(8.4%)
Repaint Patio	\$2,500	(12.4%)
Weather-Proof Patio	\$5,000	(24.9%)
<b>Total Uses</b>	<b>\$20,120</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 \$20,120, a 25% level of MWBE inclusion for that work is approximately **\$5,030**

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.

For years, South of Beale at 361 S. Main has been an anchor restaurant in the South Main neighborhood. Keeping this space in active use after South of Beale moves into its new home will help this key area remain vibrant. The DMC's 2018 Retail Action Plan recommended that incentives like the EIG should focus on building up a "critical mass" of activity in existing retail nodes. South Main was one of the nodes identified in the plan. The applicant's proposed improvements to 361 S. Main also include many of the Retail Action Plan's specific suggestions for enhancing Downtown's retail environment, including street furniture, planters, and awnings.

The proposed improvements to 361 S. Main fit with both the recommendations of the Retail Action Plan and the purpose of the Exterior Improvement Grant program. The changes will help a new business by enhancing the building's curb appeal, increase the walkability of the immediate area, and build on existing retail vibrancy. Staff also recognizes that the COVID pandemic continues to present many challenges to the success of Downtown retail, especially restaurants. Perhaps more than ever, strategic investments that can increase the viability of both new and existing businesses are needed to ensure Downtown's continued health.

**Recommendation:**

**Staff recommends approval of an Exterior Improvement Grant in an amount up to \$10,060 based on approved receipts and subject to all standard closing requirements and conditions.**