

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: August 12, 2020
RE: Exterior Improvement Grant Request, 372 S. Main St.

The enclosed Exterior Improvement Grant application has been submitted for consideration at the August 19, 2020, CCDC Board Meeting.

Project: **372 S. Main St.**

Applicant/Property Owner: Tom Intrator
372 S. Main St.
Memphis, TN 38103

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

Project Description: The subject property is located at the southeast corner of S. Main Street and Talbot Avenue, in the heart of the South Main historic district. The 0.12-acre site contains a 2-story historic commercial building. The structure, built in 1905, has most recently been used as a woodworking studio on the ground-floor. The applicant purchased the building in 2019 with plans for two separate ground-floor commercial spaces to accommodate retail and service businesses. The second floor (7,000 sq. ft.) will also be available for commercial occupancy.

Contingent upon CCDC and DRB approvals, construction is expected to begin in Q4 2020. Full renovation should be complete in Q2 2021.

EIG Budget: The Exterior Improvement Grant (EIG) is designed to help Downtown commercial property owners and businesses make high-quality cosmetic improvements to the exterior of their property. A secondary goal of the grant is to help new and existing businesses succeed by enhancing their curb appeal in ways that might not be possible without assistance.

The Exterior Improvement Grant is for exterior work only and requires minimum leverage of 1 to 1. The maximum grant for this location (Targeted Retail Node) is \$80,000.

The following budget describes the EIG scope:

Sources:

Owner's match	\$135,960	(63%)
CCDC EIG	\$80,000	(37%)
Total Sources	\$215,960	(100%)

Uses:

Select demolition	\$6,880	(3%)
Electric & exterior lighting	\$49,280	(23%)
Masonry & waterproofing	\$30,000	(14%)
Sidewalk repairs for ADA	\$10,000	(5%)
Elevated access to rear/side	\$25,000	(12%)
Storefront repair	\$30,000	(14%)
Window replacement	\$42,000	(19%)
Exterior brick finish	\$22,800	(10%)
Total Uses	\$215,960	(100%)

Design Review:

The applicant will submit design plans to the DRB in the coming months. The project has already received approval from the Memphis Landmarks Commission (MLC).

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 \$215,960, a 25% level of MWBE inclusion for that work is approximately **\$53,990**.

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.

This project will put a vacant historic building back into productive use and add new commercial space for ground-floor business within a key retail node. Increasing the density of commercial offerings and filling the gaps in ground-floor vibrancy within targeted retail nodes, like South Main, are top goals of the DMC’s Retail Strategy Committee and staff.

This development, along with the adjacent project at 376 S. Main, will bolster the momentum of the South Main neighborhood and join exciting investment recently

completed, already underway, or planned including Slider Inn, Ambassador Hotel, 376 S. Main, 400 S. Main, Museum Lofts, 7 Vance, and Wiseacre Brewing Co.

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.