

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: March 8, 2023
RE: Exterior Improvement Grant Request – 405 Monroe Avenue

The enclosed Exterior Improvement Grant application has been submitted for consideration at the March 15, 2023, CCDC Board Meeting.

Project: **405 Monroe Avenue**

Owner / Applicant: Brad Barnett
395 Mann Drive
Collierville, TN 38017

Applicant's Request: Exterior Improvement Grant in an amount up to \$60,000.

Project Description: The subject property is a 0.296-acre site on the south side of Monroe, in the block between Danny Thomas and South Lauderdale. The site contains a 1-story commercial building (ca. 1950) with approximately 11,816 sq. ft.

Like many buildings in the Edge neighborhood, the property was once used as an auto service garage, among other more recent uses. The structure is currently used as storage for the building owner's primary business. The owner plans to renovate the building and completely transform the façade to attract new commercial tenants to the building. The current plan is to divide the space for two future commercial tenants. With recent investment in the immediate vicinity including Orion FCU, The Rise Apartments, the Ravine, Memphis Made Brewing, The Cycle Shop, 413 Monroe, 345 Madison, and Leo Events, the building is well-positioned to be highly attractive for a variety of retail and similar commercial uses. The property owner will fully renovate the building including a new roof, HVAC, and upgraded electrical and plumbing work.

With the assistance of the Exterior Improvement Grant (EIG), the property owner will make the following high-impact façade improvements with a total budget of approximately \$161,000:

- Demo existing façade
- Install new storefront system
- Add new exterior lighting

- Masonry repair and tuckpointing
- Exterior paint and stucco
- New exterior signage
- Repair public sidewalk

EIG Budget:

The Exterior Improvement Grant (EIG) is designed to help Downtown commercial property owners make impactful 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 (Edge Neighborhood) is \$60,000.

The following describes the estimated project budget:

Sources:

Owner's Equity	\$88,500	(55%)
MMDC Grant (Pending)	\$12,500	(8%)
CCDC EIG Grant	\$60,000	(37%)
Total Sources	\$161,000	(100%)

Uses:

Design & Permitting	\$7,500	(4.5%)
Concrete Repair	\$25,000	(16%)
Gate Alterations	\$5,000	(3%)
Exterior Electrical	\$12,000	(8%)
Exterior Demo	\$10,000	(6%)
Exterior Windows & Doors	\$55,000	(34%)
Brick Cleaning/Tuckpointing	\$6,500	(4%)
Exterior Paint & Stucco	\$8,500	(5%)
New Garage Door	\$10,500	(6.5%)
Gutter & Downspouts	\$5,000	(3%)
New Signage	\$6,500	(4%)
Site Cleanup	\$4,500	(3%)
Exterior Public Art	\$5,000	(3%)
Total Sources	\$161,000	(100%)

Design Review:

The applicant will submit design plans to the DRB prior to start of exterior work.

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 meet and coordinate with minority-owned business assistance organizations such as the Memphis Area Minority Contractors Association (MAMCA) and the Mid-South Minority Business Council Continuum (MMBC) to make their members aware of the project and any contracting and sub-contracting opportunities.
- 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 subcontractors and other tradespeople to perform the needed work.
- 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 pre-bid conference attendance sheet.
- After construction has started, the applicant will provide 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 exterior budget of \$161,000, a minimum 25% level of MWBE inclusion for that work is approximately **\$40,250**.

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 Edge district is experiencing significant momentum in building renovations and commercial development activity, including high-impact projects such as Orion FCU, The Rise Apartments, and the Ravine. It's important now more than ever that the DMC support infill projects to bridge missing gaps in ground-floor vibrancy and better connect investments to provide a cohesive pedestrian experience. 405 Monroe is a prime opportunity to build up the density of commercial offerings in this retail node and make space ready for new businesses to move into this emergent neighborhood.

Recommendation:

Staff recommends approval of an Exterior Improvement Grant in an amount up to \$60,000 based on approved receipts and subject to all standard closing requirements and conditions.