

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: January 13th, 2021
RE: Exterior Improvement Grant Request, 631 Madison Ave.

The enclosed Exterior Improvement Grant application has been submitted for consideration at the January 20th, 2021, CCDC Board Meeting.

Project: **631 Madison Ave.**

Applicant/Owner: John Halford
676 Marshall Ave. #101
Memphis, TN 38103

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

Project Description: The subject property is located on the south side of Madison Ave. between Neely St. and N. Orleans St. The project includes a 6,199 sq. ft. one-story commercial building built in 1938.

The existing building was previously split into two (2) uses: commercial space for Alexander Marble & Tile in the northern portion of the building and apartments for an adult entertainment venue to the south. The northern (commercial) portion of the building has sustained damage from past events over the years and has since been covered in EIFS, a synthetic stucco, to cover all of the windows, eliminating transparency into and out of the space.

The proposed renovations will include demolition of the EIFS façade to expose an existing storefront with new glazing. Inkwel, a high-quality cocktail lounge, will be moving into the space once renovations are complete. The rear multi-family residential units will be remodeled and face into an interior courtyard with additional planting, lighting and shared outdoor patio space.

Contingent upon CCDC and DRB approvals, construction is expected to begin March 2021 and take approximately five (5) months.

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 (The Edge District) is \$80,000.

The total project budget for 631 Madison Ave. is \$800,000. The applicant will cover the acquisition and building improvement costs, totaling \$600,000. The applicant will also match the exterior improvement grant of \$80,000 with \$110,000 towards the exterior improvement scope of work. The project was also given a grant of \$5,000 from the MMDC to use towards exterior improvements.

The following budget describes the EIG scope:

Total Exterior Sources:

MMDC Grant	\$ 5,000	(3%)
CCDC EIG	\$ 80,000	(41%)
Owner’s Exterior Match	\$110,000	(56%)
Total Exterior Sources	\$195,000	(100%)

EIG Eligible Uses:

Façade Demolition	\$ 12,000	(6%)
Site Demolition	\$ 10,000	(5%)
Structural Repair	\$ 15,000	(8%)
Misc. Metals & Framing	\$ 8,500	(4%)
Glass & Glazing	\$ 32,500	(17%)
Exterior Doors & Hardware	\$ 16,000	(8%)
Exterior siding & assembly	\$ 28,000	(14%)
Exterior Paint	\$ 9,000	(5%)
Electrical	\$ 14,500	(7%)
Sidewalk Repairs & Concrete	\$ 16,500	(9%)
Landscaping	\$ 15,000	(8%)
Signage	\$ 8,000	(4%)
Misc. Repairs	\$ 10,000	(5%)
Total Uses	\$195,000	(100%)

Design Review:

This project will be submitted for review and approval at an upcoming meeting of the Design Review Board (DRB).

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. The applicant had already begun interviewing several MBE certified General Contractors at the time of submitting this application. The applicant has a clear understanding of the EBO Program and has worked with the 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 continue identifying qualified 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 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 budget of \$800,000, a 25% level of MWBE inclusion for that work is approximately **\$200,000.**

Staff Evaluation:

Staff is supportive of approving an Exterior Improvement Grant for this project.

Renovating existing buildings into mixed-uses of commercial and residential space Downtown helps to advance the DMC's dual goals of improving commercial property values and increasing both the daytime and the residential population. Moreover, improving the exterior appearance of this property will further strengthen Madison Avenue as an essential corridor connecting the Edge neighborhood to Downtown's core.

The proposal for exterior improvements to 631 Madison helps to fill a crucial gap along the northern portion of the Edge District, surrounded by important institutions in the neighborhood such as the MMDC office, Evelyn & Olive, Karen Adams Designs, Sam Philips Recording Studio and Sabor Caribe.

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.