

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: January 13th, 2021
RE: Exterior Improvement Grant Request, 655 Marshall Ave.

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

Project: **655 Marshall 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 in the heart of the Edge District along Marshall Ave. between Monroe Ave. and S. Orleans St. The 0.12-acre site contains a 5,257 sq. ft. one-story commercial building.

The building currently sits un-occupied, having been used for storage by previous owners. The project team intends to renovate the building to accommodate new retail and restaurant tenants, such as Sweet Magnolia's Gelato Co. The exterior renovations will bring much-needed infill development to a heavily pedestrian and tourist activated corridor. The project will join other new and upcoming DMC supported developments including Slim & Husky's, the Rise Apartments, The Ravine and The Motor Museum.

Contingent upon CCDC and DRB approvals, construction is expected to begin in March 2021 and take approximately three (3) 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 655 Marshall Ave. is \$815,000. The applicant will cover the acquisition and building improvement costs, totaling \$617,000. The applicant will also match the exterior improvement grant of \$80,000 with \$118,000 towards the exterior improvement scope of work.

The following budget describes the EIG scope:

Total Exterior Work Sources:

CCDC EIG	\$ 80,000	(40%)
Owner's EIG Match	\$118,000	(60%)
Total Exterior Sources	\$198,000	(100%)

EIG Eligible Uses:

Façade Demolition	\$ 14,000	(7%)
Site Demolition	\$ 8,000	(4%)
Structural Repair	\$ 9,000	(5%)
Misc. Metals & Framing	\$ 8,000	(4%)
Glass & Glazing	\$ 65,000	(33%)
Exterior Doors & Hardware	\$ 16,000	(8%)
Exterior Paint	\$ 10,000	(5%)
Electrical & Lighting	\$ 12,000	(6%)
Parking Lot Improvements	\$ 30,000	(15%)
Misc. Repairs	\$ 10,000	(5%)
Landscaping	\$ 8,000	(4%)
Signage	\$ 8,000	(4%)
Total EIG Eligible Uses	\$198,000	(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 \$815,000, a 25% level of MWBE inclusion for that work is approximately **\$203,750**.

Staff Evaluation: Staff is supportive of approving an Exterior Improvement Grant for this project. Adding new destinations and points of interest Downtown helps to advance the DMC's dual goals of improving commercial property values and increasing both the daytime and the residential population. Improving the exterior appearance of this property will also strengthen the cohesiveness of development along a critical commercial corridor, Marshall Avenue.

Sweet Magnolia's Gelato Co., one of the future tenants of 655 Marshall Ave., will further the emerging synergy between popular destinations such as Edge Motor Museum, Sun Studio, Edge Alley, High Cotton, Chef Tams, Slim & Husky's, among others.

In addition to interior and exterior renovations, the applicant plans to activate the alley that runs along the southern boundary of the site. An activated alley will provide frontage for the southern storefront in the new space, while also adding connectivity for the emerging and future development projects along Union and Marshall.

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.