

CCDC Board Meeting

May 20, 2020



**APPROVAL OF THE
APRIL 15, 2020, MINUTES
APRIL 20, 2020, MINUTES**

FINANCIAL UPDATE

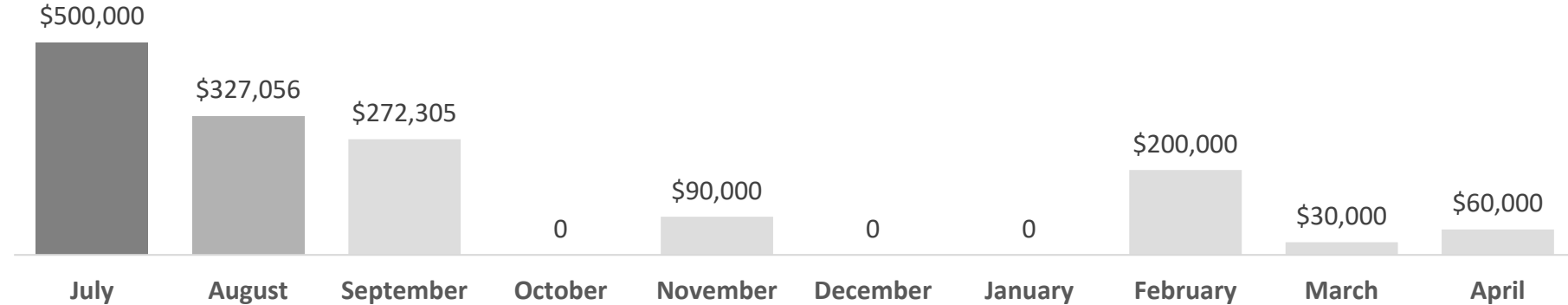
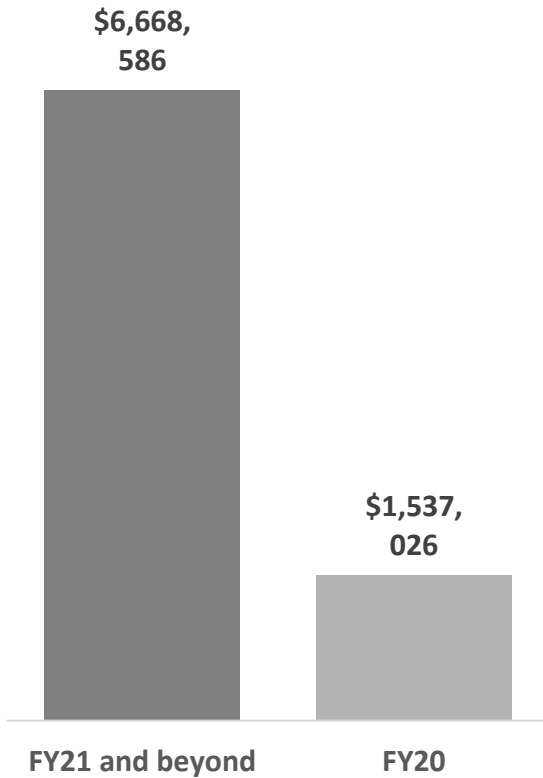
As of APRIL 2020

FINANCIALS – CENTER CITY DEVELOPMENT

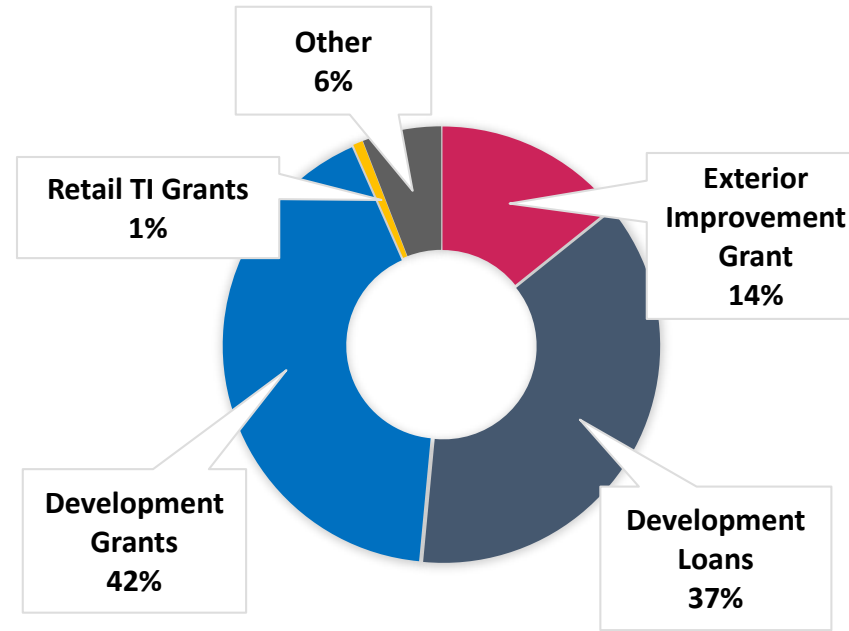
As of April 30, 2020

- Increase in Development Loans – 4 new loans, 1 payoff and 39 Business Continuity Forgivable loans
- Interest Income – from CCDC loans and investment income (loss)
- Planning & Development – closed 7 EIG grants and 1 TI grant
- Improvements – MLK streetscape improvements and I40 underpass artwork

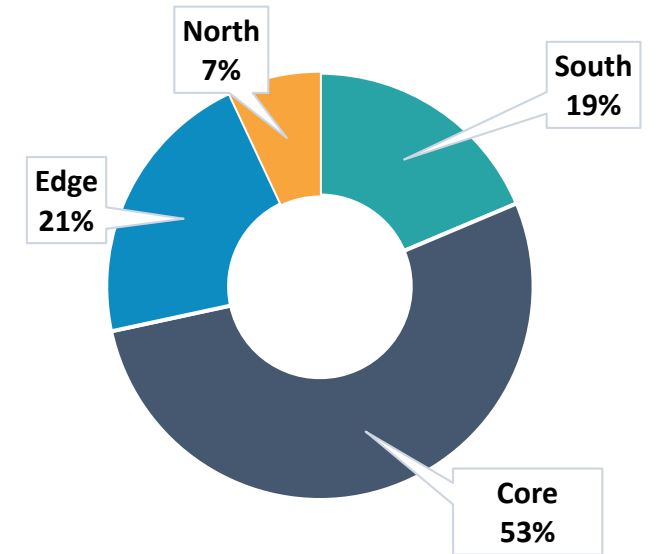
APPROVED CCDC COMMITMENTS \$8.2 MILLION



FISCAL YEAR APPROVALS



COMMITMENTS BY INCENTIVE



COMMITMENTS BY AREA



INCENTIVE RECAP

South City Good Neighbor Grant



Overview

CCDC approved the grant in July 2018 in partnership with HCD

Funded by CCDC and HUD Choice Neighborhoods Grant

Three (3) projects have been approved to date:

- **Off the Walls** – 358 Walnut Ave. (07/2019)
- **Memphis Magnetic Recording** – 618 Vance Ave. (03/2019)
- **NAACP** – 588 Vance Ave. (03/2019)





Purpose of Grant

Help property owners & businesses in South City make exterior improvements

Restore the character of important places within the community

Enhance businesses' curb appeal in ways that may not be possible without our assistance

Program Details

Commercial buildings only

\$50,000 max grant per project

3:1 Match required (75% grant + 25% applicant)

Reimbursable program (or CCDC can pay contractor directly)

Applicant must be current on taxes

Focus Area





Project Eligibility

Exterior building repairs and site improvements easily seen from the street and public sidewalk.

Examples:

- Exterior painting, tuck-pointing, & masonry repair
- Exterior signage, canopies, & awnings
- Exterior lighting
- New fencing
- Sidewalk repair & landscaping

APPROVED: \$123,703

AVAILABLE: \$376,297



645 E. GEORGIA AVENUE

Request for South City Good Neighbor Grant



645 E. Georgia Ave. – Paradise Entertainment Center

*outside CBID



SITE

645 E. Georgia Ave.



1-story building (ca. 1962)

42,000 sq. ft.



Club Paradise opened in 1960's,
closed in 1999 and has reopened in
2016 as a multipurpose center **(2025)**



645 E. Georgia Ave.

Proposal

Exterior improvements to the building and site

Scope includes:

- New exterior lighting
- Exterior painting
- Tuck-pointing/masonry
- New Awnings
- New Signage
- Sidewalk repair
- Door repair/replacement

NORTHERN FACADE

EXISTING



NORTHERN FACADE

EXISTING



Looking West



Center



Looking East



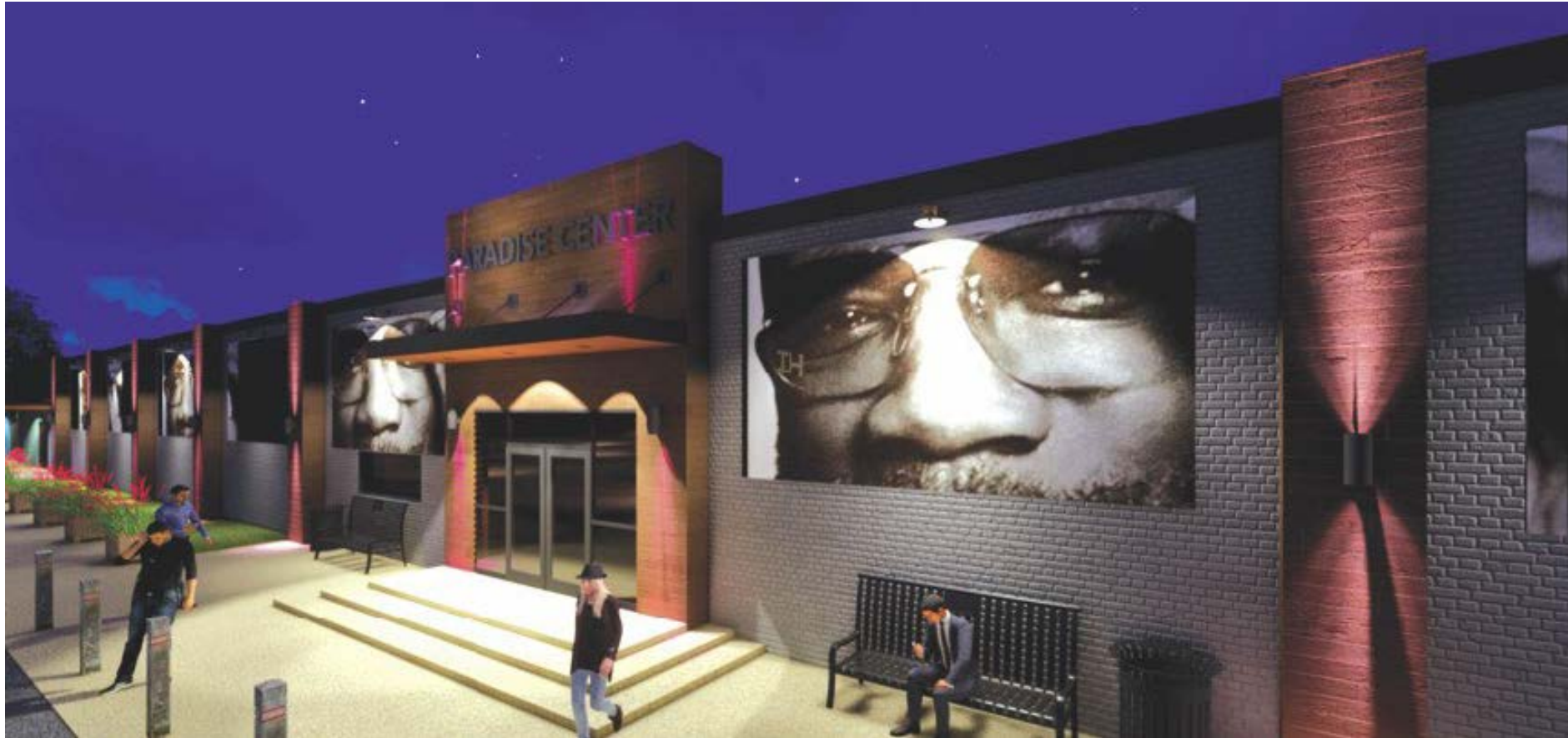
NORTHERN FACADE

PROPOSED (DAY TIME)



NORTHERN FACADE

PROPOSED (NIGHT TIME)



WESTERN FACADE
EASTERN FACADE

EXISTING



WESTERN FACADE



EASTERN FACADE



SOUTHERN FACADE

EXISTING



Looking North from Phelan Ave.

PARKING LOT

EXISTING



Request

South City Good Neighbor Grant

3:1 matching grant

Up to \$50,000 grant

Reimbursable grant

High-impact exterior improvements



645 E. Georgia Ave.

Budget (Sources)

	Amount	%
Owner's contribution	\$44,104	47%
South City Good Neighbor EIG Grant	\$50,000	53%
Total	\$94,104	100%

Budget (Uses)

	Amount	%
General Conditions	\$32,474	35%
New Windows/Doors & Hardware	\$2,000	2%
Exterior Painting	\$9,750	10%
Signage	\$5,700	6%
Exterior Lighting	\$1,425	2%
Parking, Seal, Paving, Restriping	\$17,800	19%
Landscaping	\$3,900	4%
Electrical/Hardware	\$10,600	11%
Architectural Services	\$1,500	2%
Permit & Review	\$400	0%
10% Contingency	\$8,555	9%
Total	\$94,104	100%

Budget (Uses)

	Amount	%
General Conditions	\$32,474	35%
New Windows/Doors & Hardware	\$2,000	2%
Exterior		
Signage		
Exterior		
Parking		
Landsc		
Electric		
Archite		
Permit & Review	\$400	0%
10% Contingency	\$8,555	9%
Total	\$94,104	100%

25% MWBE
Target = \$23,526



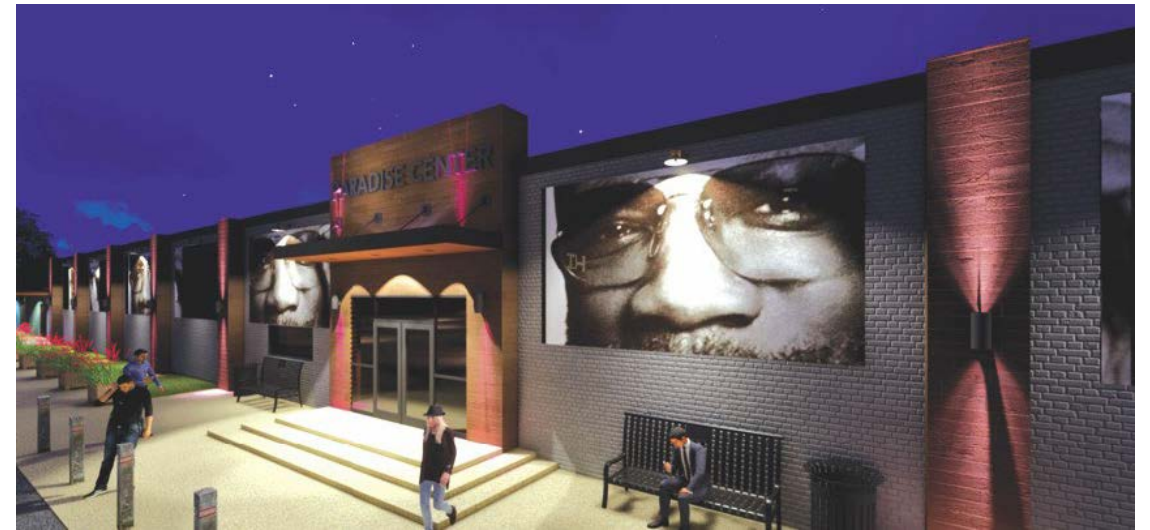
Recommendation

South City Good Neighbor Grant
up to \$50,000

Enhances the curb appeal of a prominent
Memphis landmark

Restores the character of an important
building in South City

Improves walkability, safety and vibrancy in
the neighborhood



645 E. Georgia Ave.

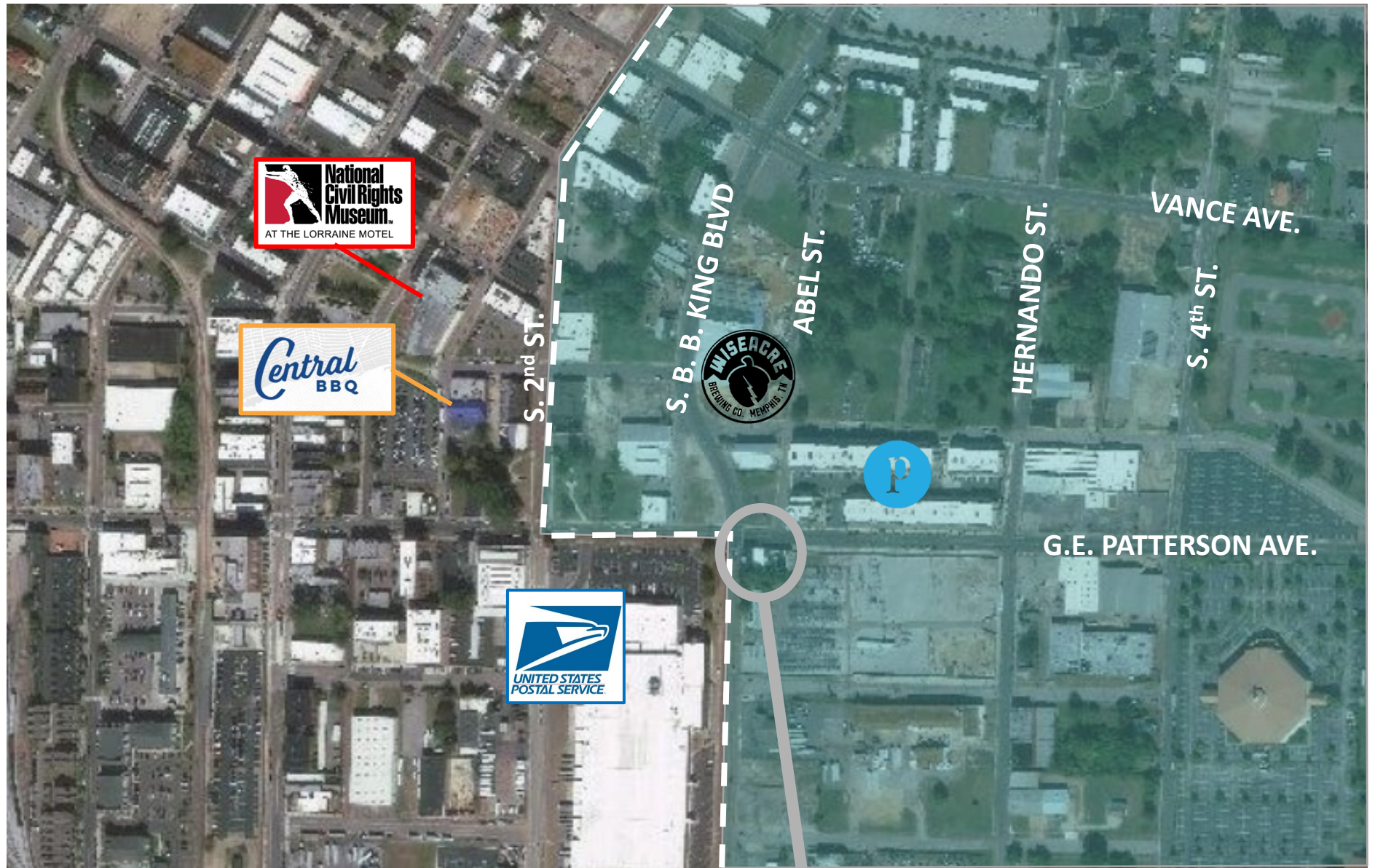
540 S. B.B. KING BLVD.

Request for South City Good Neighbor Grant



540 S. B.B. King Blvd. – Tom Martin's

*inside CBID



SITE

540 S. B. B. King Blvd.

1-story building (ca. 1923)

11,060 sq. ft.

Tom Martin's Inc. has been in the building since the 1960's





540 S. B.B. King Blvd.

brg3s architects

Proposal

Exterior improvements to the building and site

Scope includes:

- New Exterior painting & lighting
- Tuck-pointing/masonry
- New awnings & signage
- Sidewalk repair
- Door repair & replacement



EXISTING

NORTHERN FACADE

PROPOSED



WESTERN FACADE



EXISTING



PROPOSED

SOUTHERN FACADE



EXISTING



PROPOSED

EASTERN FACADE



EXISTING

Request

South City Good Neighbor Grant

3:1 matching grant

Up to \$50,000 grant

Reimbursable grant

High-impact exterior improvements



540 S. B.B. King Blvd.

brg.3s architects

Budget (Sources)

	Amount	%
Owner's contribution	\$31,500	39%
South City Good Neighbor EIG Grant	\$50,000	61%
Total	\$81,500	100%

Budget (Uses)

	Amount	%
Wall Mounted Awning	\$8,016	10%
Paint Brick, Windows & Wood Frame	\$20,510	25%
Repair Parapets and Roof	\$6,500	8%
Exterior Plaster Repair	\$3,201	4%
Demolish Sidewalk	\$15,163	19%
Repave Sidewalk	\$17,339	21%
Exterior Lighting	\$2,357	3%
Gutters	\$1,070	1%
10% Contingency	\$7,400	9%
Total	\$81,500	100%

Budget (Uses)

	Amount	%
Wall Mounted Awning	\$8,016	10%
Paint Brick, Windows & Wood Frame	\$20,510	25%
Repair		
Exterior		
Demolition		
Repave		
Exterior		
Gutters		
10% Contingency		
Total	\$81,500	100%

25% MWBE
Target = \$20,375



Recommendation

South City Good Neighbor Grant
up to \$50,000

Enhances the curb appeal of a prominent
Memphis organization

Restores the character of an important
building in South City and link to South
Main

Improves walkability, safety and vibrancy in
an area experiencing development



540 S. B.B. King Blvd.

brgas architects

BUSINESS CONTINUITY FORGIVABLE LOAN UPDATE

The Challenge

- Goal: Help support otherwise healthy and successful businesses at risk of permanently closing due to the COVID-19 pandemic.
- Clear need for timely and direct financial support to assist with fixed operating expenses.
- Our recruitment efforts will continue, but stabilizing existing businesses first is sound economic development policy.



CCDC Action

- Downtown Business Continuity Forgivable Loan program approved by CCDC on March 31, 2020.
- \$260,000 loan pool funded by CCDC.
- **46** Downtown businesses were approved for a forgivable loan.





Approval Process

- Ability to move quickly was a high priority
- CCDC established a loan review subcommittee (Chance, Brown, Leicham, & Orgel)
- Subcommittee met in virtual public meetings using Zoom
- Subcommittee meetings held on:
 - 4/13/2020
 - 4/17/2020
 - 4/22/2020
 - 4/24/2020

Downtown Business Continuity Forgivable Loan Program

- Up to \$20,000 per business.
- Structured as a **forgivable loan** with low monthly payments and 0% interest.
- Forgivable Loan converts to a **grant** if the business continues to operate for at least 2 years.
- The money can be used for:
 - Operational expenses & rent
 - Restructuring debt
 - Leasehold improvements & equipment





Business Evaluation & Reporting

- DMC's CFO reviewed the financial history and current financial condition of each business to determine need and loan eligibility.
- Each approved business is required to provide an **annual update** on the financial status of the business over the next 24 months.
- DMC staff connected applicants to business consulting (StartCo) and technical assistance.



Maximum Forgivable Loan Amount

Average Yearly Gross Sales	Maximum Loan
Below \$250,000	\$5,000
Between \$250,001 - \$1,000,000	\$10,000
Between \$1,000,001 - \$5,000,000	\$20,000

Committee approved loan amounts below the maximum in most cases due to high demand for limited resources.

Evaluation & Prioritization

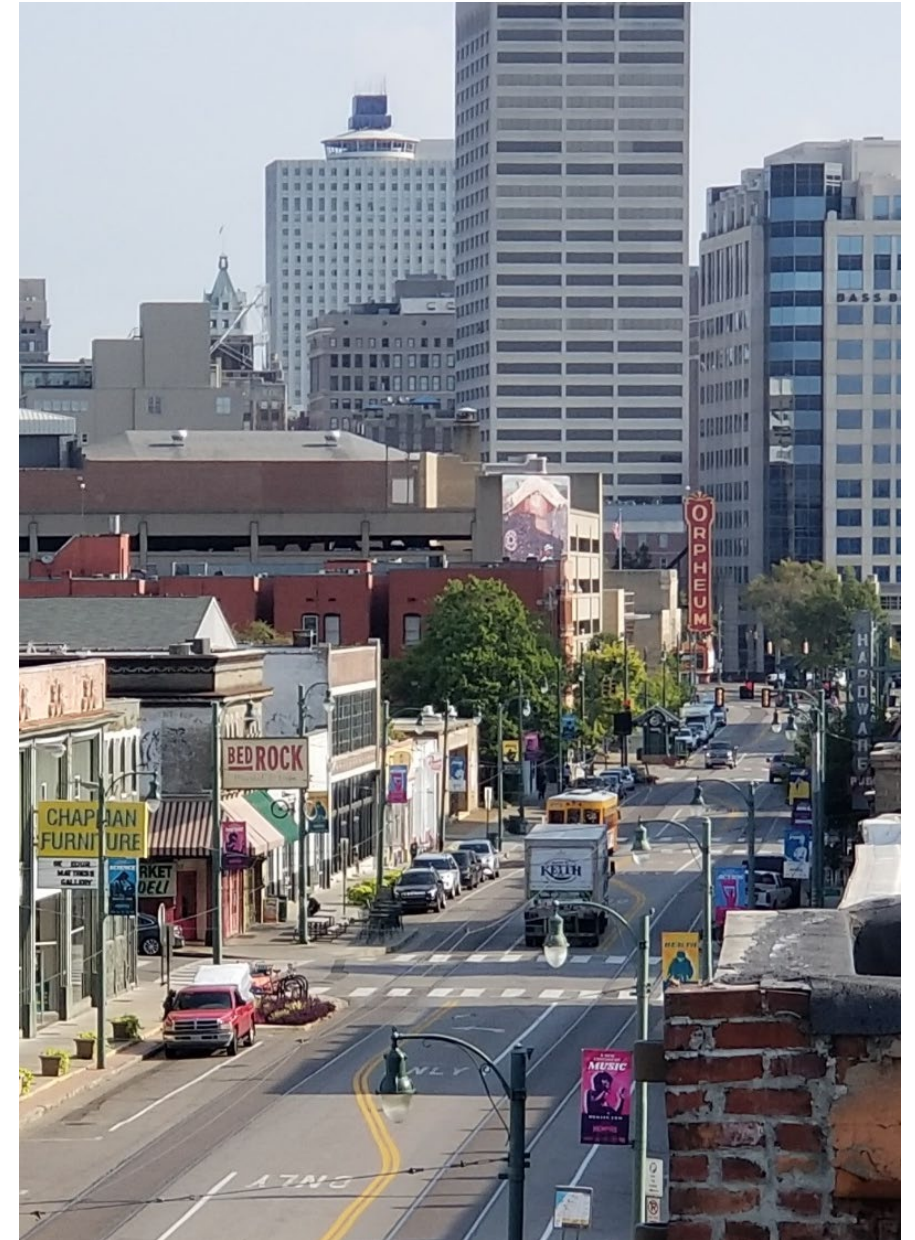
Tenure Downtown			Business Type			Location			
<1 year 1 point	>1 year 2 points	>5 years 3 points	Service 1 point	F&B 2 points	Retail 3 points	CBID 1 point	Core 2 points	Retail Nodes 3 points	Main Street Mall 4 points

- Total possible scores range from 3 – 10 points.
- Most applications will score within the 6-8 point range.
- Numerical score is only one data point used to evaluate the requests.
- Committee was cognizant of Downtown’s Retail Strategy and the importance of diversity and inclusion as we build a Downtown for everyone.

April 13, 2020 Committee Approvals

Total: \$55,100 (8 Businesses)

- Alcenia's, 317 N. Main St.
- Premier Flowers, 10 N. Second St.
- South Main Book Juggler, 548 S. Main St.
- Fantom Events / The Broom Closet, 546 S. Main
- Rachel's Salon, 10 N. Main St.
- The Brass Door, 152 Madison Ave.
- Wrapzody, 99 N. Main St.
- McEwen's, 120 Monroe Ave.



April 17, 2020 Committee Approvals


\$79,900 (12 Businesses)

- The Peanut Shoppe, 24 S. Main
- Qahwa Coffee Bar, 109 N. Main
- Chef Tam's Underground Café, 668 Union
- Pontotoc, 314 S. Main St.
- Bluff City Coffee, 505 S. Main
- Havana Mix Cigar Emporium, 250 Peabody Place
- Max's, 115 GE Patterson
- WKND Hang Suite, 115 Vance
- A. Schwab, 163 Beale
- Sam's, 7 N. Main
- Stock and Belle, 387 S. Main
- Rizzo's Diner, 492 S. Main



April 22, 2020 Committee Approvals

\$65,000 (13 Businesses)

- Nine 01 Five 04, 676 Marshall Ave.
 - Mollie Fontaine Lounge, 679 Adams Ave.
 - Sabor Caribe, 662 Madison Ave.
 - Arnold's BBQ, 320 Monroe Ave.
 - Phillip Ashley Chocolates, 1200 Madison Ave.
 - Winfield's Shoes & Accessories, 2 S. Main St.
 - Bar Ware, 276 S. Main St.
 - Puck Food Hall, 409 S. Main St.
 - Green Beetle, 325 S. Main St.
 - Felicia Suzanne's, 80 Monroe Ave.
 - South of Beale, 361 S. Main St.
 - Bardog Tavern, 73 Monroe Ave.
 - City Market, 66 S. Main St.
- 

April 24, 2020 Committee Meeting

\$60,000 (13 businesses)

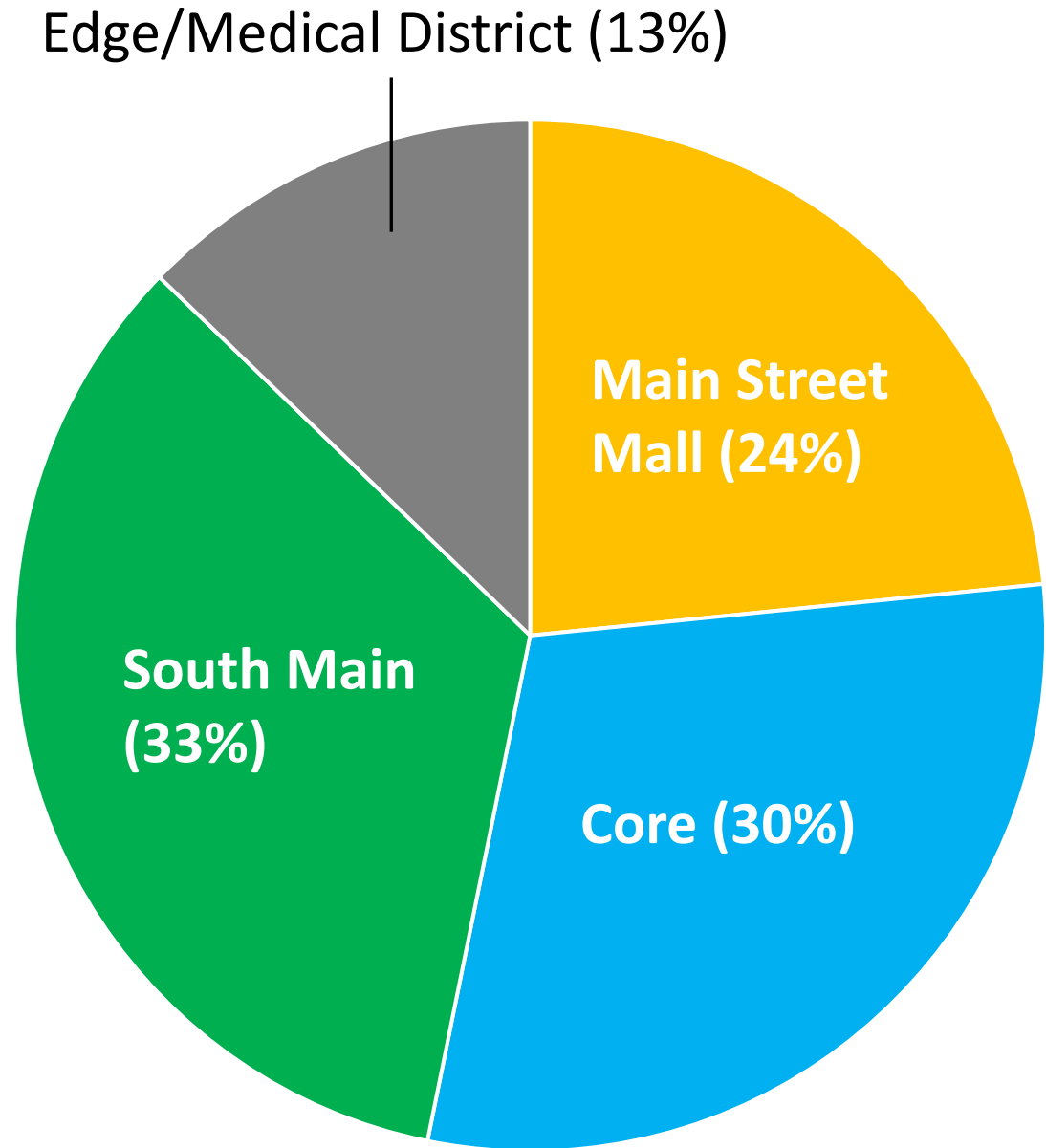
- Botto Jewelry Market, 43 S. Main St.
- Art Village Gallery, 410 S. Main St.
- River Time Deli, 111 S. Court St.
- South Main Sounds, 550 S. Main St.
- High Cotton Brewing Co., 598 Monroe Ave.
- Bogie's Deli, 80 Monroe Ave.
- 117 Prime, 117 Union Ave.
- Blind Bear, 119 S. Main St.
- The Pocket, 115 Union Ave.
- FAM, 149 Madison Ave.
- Kooky Canuck, 87 S. Second St.
- Café Keough, 12 S. Main St.
- The Vault, 124 GE Patterson Ave.

Overall Budget:

Forgivable Loan Commitments	Amount
April 13 th Committee Meeting (8 businesses)	\$55,100
April 17 th Committee Meeting (12 businesses)	\$79,900
April 22 nd Committee Meeting (13 businesses)	\$65,000
April 24 th Committee Meeting (13 businesses)	\$60,000
TOTAL:	\$260,000

Number Of Loans By Location

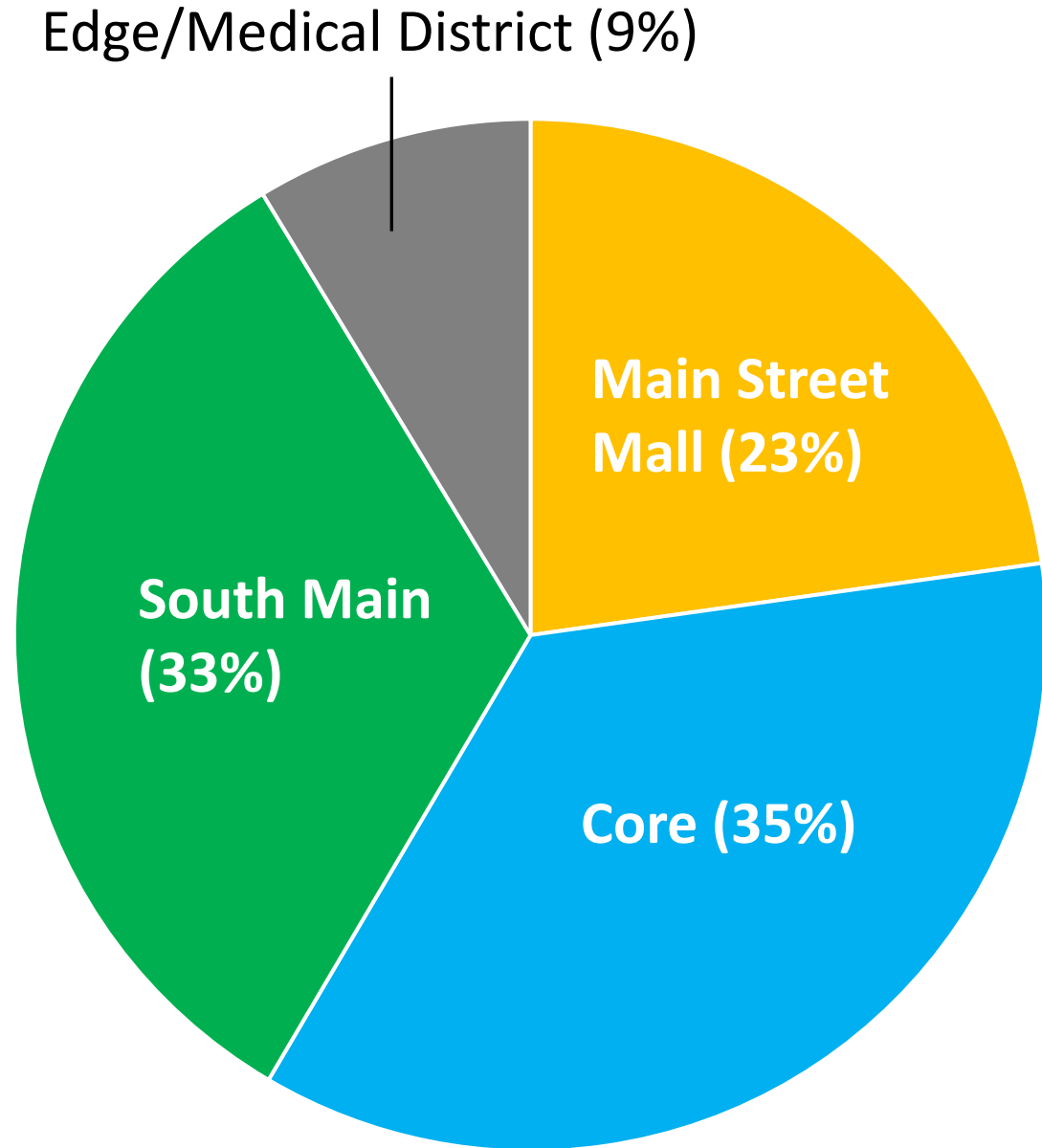
- Main Street Mall (11 loans)
- Downtown Core (14 loans)
- South Main (15 loans)
- Edge/Medical District (6 loans)



Total Amount By Location

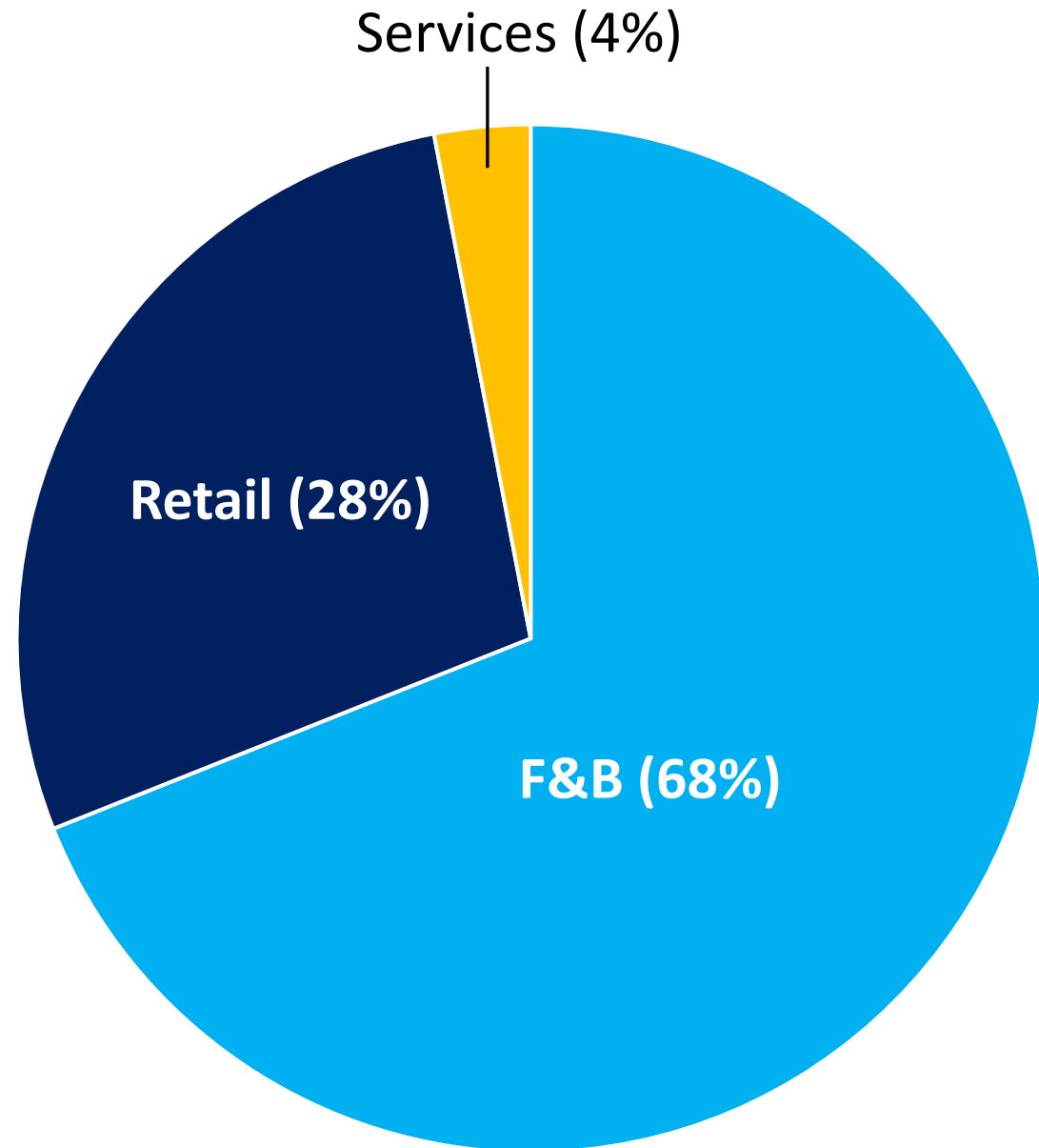
- Main Street Mall (\$59,000)
- Downtown Core (\$92,500)
- South Main (\$85,100)
- Edge/Medical District (\$22,500)

Strategic focus on Main Street Mall
& Downtown Core (58% of budget)



Type of Business

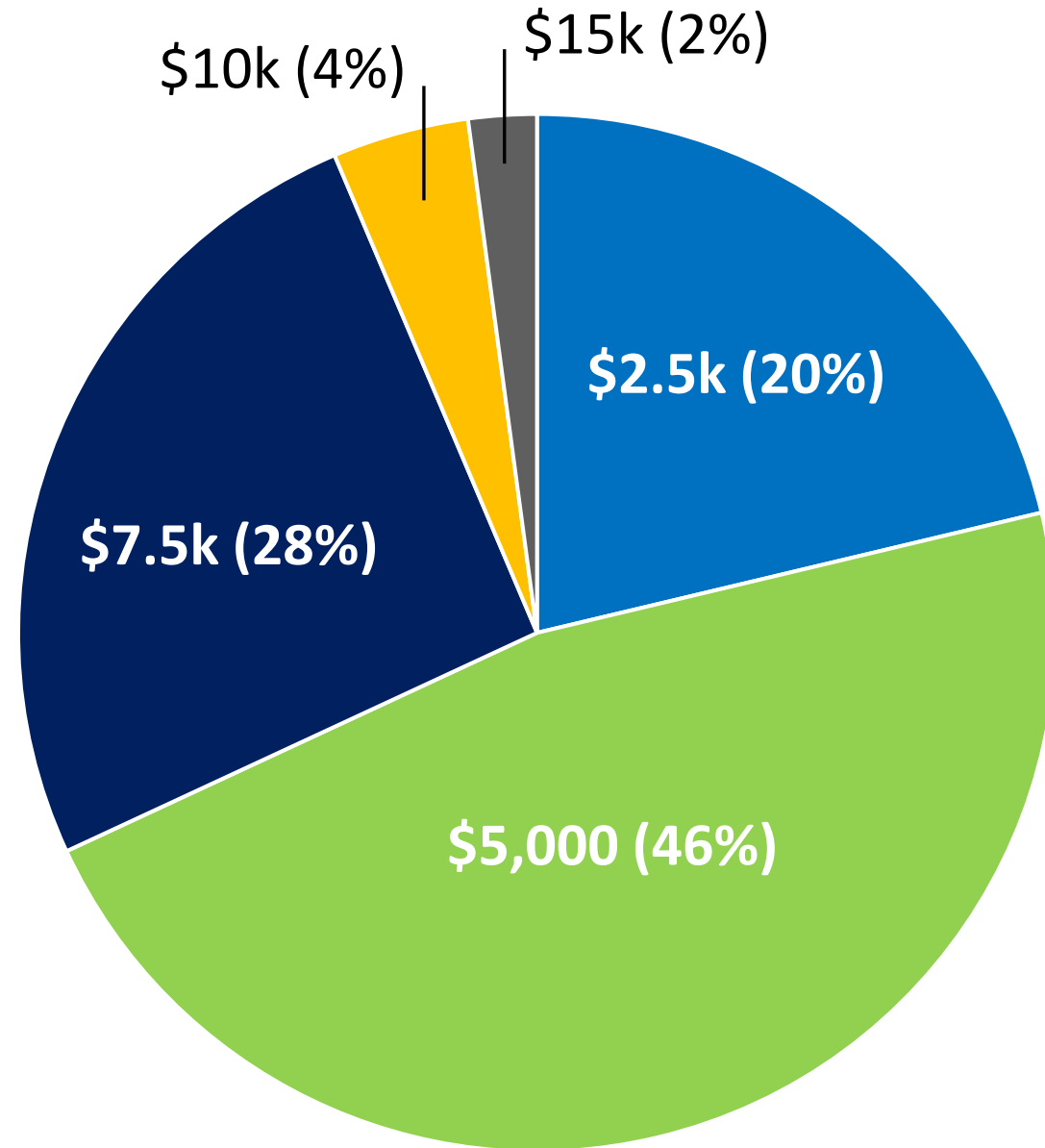
- F&B (31 loans)
- Retail (13 loans)
- Services (2 loans)



Size of Loans

- \$2,500 (9 loans)
- \$5,000 (21 loans)
- \$7,500 (13 loans)
- \$10,000 (2 loans)
- \$15,000 (1 loan)

66% of the loans are \$5,000 or less



Program Results

- \$260,000 quickly allocated to directly support 46 Downtown businesses
- **\$152,500 approved for MWBE businesses (58.6% of total budget)**
- 29 out of the 46 are MWBE businesses (63%)
- Strategic focus on Main Street Mall & Downtown Core (58% of budget)



THANK YOU!



OTHER BUSINESS



PRESIDENT'S REPORT

NEXT CCDC BOARD MEETING

JUNE 17, 2020

