

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)

From: DMC Staff

Date: January 11, 2023

RE: Exterior Improvement Grant Request – 635 Madison Ave

The enclosed Exterior Improvement Grant application has been submitted for consideration at the January 18, 2023, CCDC Board Meeting.

Project: **635 Madison Ave**

Applicant/Owner: John Halford
1905 Overton Park Ave
Memphis, TN 38112

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

Project Description: The subject property is tucked between Inkwell cocktail lounge and Sam Philips recording studio along Madison Avenue. As is characteristic of the Edge District, an alley is located between two major streets, Madison and Marshall, with Marshall intersecting Madison further to the east. The proposed project will add a storefront to the back of a building facing this alley while making major improvements to the alley.

The building will house and nurture creative energy with Ugly Art Co. managing studio spaces, an art gallery, and a retail area as a tenant. Art will be showcased during art shows and varied programming like lecture series and poetry nights. The art will intentionally spill into the alley. Asphalt art, artistic lighting strung over the alley, landscaping, and public art will make the space safe, visually appealing, and welcoming.

The applicant's business, cnct. design + development, will also reside in the building allowing more space for growing staff, client meetings, and community feedback sessions for projects in the area. cnct. design + development will also provide on-site property management for this building and adjacent properties.

With the applicant owning the buildings on either side of the subject property, the alley activation will connect the

properties and a central courtyard with the space serving as a focal point for activity throughout the day and into the night.

The exterior scope of work eligible for grant funding include the following:

- Exterior demolition and miscellaneous repairs
- Brick repair and detailing
- Materials for framing
- Signage
- Exterior doors and hardware
- Landscaping
- Sidewalk improvements
- Public art
- Electrical work and lighting
- Glass and glazing
- Paint all exterior SW Greek Villa

EIG Budget:

The Exterior Improvement Grant (EIG) is designed to help Downtown commercial property owners make high-quality 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 Retail Node) is \$60,000.

The following describes the estimated project budget:

Sources:

Owner’s Contribution	\$115,000	(34%)
CCDC EIG	\$60,000	(66%)
Total Sources	\$165,000	(100%)

The applicant is also applying for the DMC Sidewalk Grant and funding from the Memphis Medical District Collaborative (MMDC).

Uses:

Brick repair & detailing	\$3,500	(2%)
Signage	\$4,500	(3%)
Misc materials & framing	\$5,000	(3%)
Exterior demo	\$8,000	(5%)
Exterior doors & hardware	\$8,000	(5%)
Misc repairs	\$8,000	(5%)
Landscaping	\$8,000	(5%)

Public art	\$10,000	(6%)
Concrete planters	\$10,000	(6%)
Exterior painting	\$10,000	(6%)
Electrical & lighting	\$25,000	(15%)
Glass & glazing	\$65,000	(39%)
Total Uses	\$165,000	(100%)

Design Review: The applicant will submit design plans to the DRB in the coming months.

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 advertise and host a pre-bid conference to allow MWBE subcontractors an opportunity to ask

questions and learn more about the job opportunity. DMC staff will be invited to attend the pre-bid conference to observe.

- 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 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 total project budget of 600,000, a 25% level of MWBE inclusion for that work is approximately **\$150,000**.

Staff Evaluation: DMC staff fully supports this grant application to activate a formerly vacant building with a creative co-working space and robust outdoor art installations to support the continued vibrancy of the Edge District.

While the subject property was vacant for several years after use for adult entertainment, the exterior walls became the backdrop for graffiti and the alley became a well-trodden path. This project enhances this history and natural demand by creating an intriguing connector and amenity for the community and patrons alike. This authentic placemaking project exemplifies the applicant’s commitment to community building and redevelopment.

Neighbors like Inkwel, Sam Philips Recording Studio, Rootstock, and Edge Alley will ensure sustained pedestrian activity and benefit from attention garnered by the Art Alley.

Recommendation: **Staff recommends approval of an Exterior Improvement Grant in an amount up to \$60,000.**