

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: April 9, 2024
RE: Good Neighbor Grant Request – 1277 Decatur (Clayhouse)

The Good Neighbor Grant application has been submitted for consideration at the April 17, 2024, CCDC Board Meeting.

Project: **1277 Decatur (Clayhouse)**

Applicant: Beverly L. Clay and Kerry Clay
203 Cedar Ave
Memphis, TN 38107

Property Owner: Beverly L. Clay Living Trust
3740 Winderwood Circle
Memphis, TN 38128

Applicant's Request: Good Neighbor Grant in an amount up to \$25,000.

Project Description: The subject property is an approximately 5,880 square feet commercial building that has been used for warehousing construction equipment. It is located right outside the Firestone site near a convenience store and within the New Chicago neighborhood in Uptown.

Currently, the building has boarded up windows, roof damage, and an unnecessary loading dock. The proposed use for the building is a training space for the construction trades called Clayhouse. It will be managed by the brother-sister duo, Kerry and Beverly Clay who have experience in construction and education respectively. They are seeking to provide young adults with training experience and encourage them to pursue apprenticeships and stable careers.

The exterior scope of work will include repair and façade improvements that will highlight activity in the building and improve accessibility. The scope of work includes:

- Installing a new 10' X 10' garage door on the left hand side
- Refurbishing an existing metal entry door

- Replacing glazing in existing window panes totaling about 60 panels
- Concrete work that includes backfilling a 12' by 29' loading dock, replacing a curb cut, and adding a new curb cut, and repave the driveway
- Adding a gutter system that includes two (2) downspouts and two (2) collector boxes
- Cleaning and tuck-pointing the brick
- Installing a lightbox sign

EIG Budget:

The Good Neighbor Grant program is designed to help Downtown-adjacent businesses make high-quality exterior building improvements to improve the appearance of property and fight blight. These improvements help draw in customers by making buildings approachable, increase pedestrian activity in neighborhoods, and add vibrancy to once dilapidated property. The Grant is reimbursable and requires the applicant to provide receipts of completed work.

For this program, we partner with neighborhood organizations that provide connections, invaluable insight, and funding. For this location in Uptown, our partner is the Community Redevelopment Agency (CRA).

The following describes the estimated project budget:

Sources:

Owner's contribution	\$4,905	(16%)
CCDC EIG	\$25,000	(84%)
Total Sources	\$29,905	(100%)

Uses:

Lightbox sign	\$500	(2%)
New glazing in windows	\$4,575	(15%)
Garage door	\$5,000	(17%)
Refurbish metal door	\$2,000	(7%)
Concrete work	\$9,500	(32%)
Gutters	\$3,530	(12%)
Brick repair	\$3,800	(13%)
Contingency	\$1,000	(3%)
Total Uses	\$29,905	(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 exterior budget of \$29,905, a 25% level of MWBE inclusion for that work is approximately **\$7,476.25**.

Staff Evaluation: The DMC’s Good Neighbor Grant is intended to support local businesses with high quality exterior improvements that only improve business operations but also foster a more vibrant and safe pedestrian experience.

Improvements to this property will allow a construction trades training center to join the neighborhood. The proposed improvement will make the building functional. And, the increase activity and investment on Decatur Avenue is primed to encourage neighbors to feel safer and have more neighborhood pride.

DMC staff is in support of grant funding for the proposed improvements that will help establish a space for workforce development in the New Chicago neighborhood.

Recommendation: Staff recommends approval of a Good Neighbor Grant in an amount up to \$25,000 based on approved receipts and subject to all standard closing requirements and conditions.