

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: May 6, 2024
RE: Good Neighbor Grant Request – 895 Lane Ave (Lane Ave Apartments)

The Good Neighbor Grant application has been submitted for consideration at the May 15, 2024 CCDC Board Meeting.

Project: Lane Ave Apartments

Applicant: Dane Smith
96 Nottoway Blvd
Memphis, TN 38103

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

Project Description: The subject property is a 5-unit multifamily residence located on the South side of Lane Ave. The structure was built in 1964 and is approximately 3,400 square feet.

The applicant purchased the property in 2017 and has since successfully converted the site from a boarded-up and vacant structure to a usable multifamily residence. After several years of owning and managing the property, the applicant is looking to make additional improvements to the site to address tenant concerns and improve the overall appearance. The applicant also purchased the adjacent single-family property to the west in 2019 and operates it as a rental property as well.

The exterior scope of work will include functional and cosmetic improvements that would provide a more enjoyable outdoor space for residents, as well as help with energy efficiency and noise pollution coming from the nearby highway. These include:

- Replacement of existing single-paned windows with new double-paned windows
- Painting exterior brick, siding, soffits, gables and eaves
- New Signage
- Landscaping

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 Equity	\$ 15,000	(38%)
CCDC EIG	\$ 25,000	(62%)
Total Sources	\$ 40,000	(100%)

Uses:

Exterior Painting	\$ 15,000	(38%)
Signage	\$ 5,000	(12%)
Landscaping	\$ 5,000	(12%)
Windows	\$ 15,000	(38%)
Total Uses	\$ 40,000	(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 exterior budget of \$40,000, a 25% level of MWBE inclusion for that work is approximately **\$10,000.**

Staff Evaluation:

DMC and CRA staff fully support this grant application to enhance the exterior appearance and functionality of an existing multifamily residential structure in the Uptown neighborhood.

The addition of high-quality signage and additional landscaping on the north side of the property along Lane Ave will help to create a sense of place for residents and visitors to the neighborhood. Painting the exterior will complement the new signage and landscaping, creating a sense of cohesion within the design. Finally, the replacement of existing single-paned windows with new double-paned windows will help to combat the noise pollution from the nearby highway, as well as contribute to energy efficiency for residents, lowering their utility bills.

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.

Applicant must comply with the EBO requirement and submit for a Design Review Board (DRB) application for approval.