



To: Center City Development Corporation (CCDC) Board of Directors
 From: DMC Staff
 Date: October 27, 2021
 RE: Pre-Development Grant Update & Funding Request

Background:

The CCDC created the Downtown Pre-Development Grant Program in August 2020 with \$50,000 in funding for the first year. With a maximum grant of \$5,000 per project, it was expected that 10 projects would receive funding in the first year. However, two of the projects needed less than the maximum grant. Staff was able to combine the balance of funding with department operating budget to approve an additional project for a total of 11.

The following table summarizes the projects funded in the first year.

Project/Address	Location	Scope of Grant	Grant
114 G. E. Patterson*	South Main	Architectural Design**	\$5,000
1338 Union (URBN)*	Medical District	Parking Study**	\$4,000
660 S. BB King*	South City	Phase I Environmental	\$4,200
9 N. Main (ground floor vacancy)	Downtown Core	Marketing & Window Graphics**	\$5,000
502 S. Second St.*	South City	Architectural Design**	\$5,000
1292 Beauregard Place	Madison Heights	Architectural Design**	\$5,000
612 N. Main*	Uptown	Architectural Design	\$5,000
562-574 S. Main	South Main	Site Planning & Environmental	\$5,000
337 S. Fourth*	South City	Architectural Design**	\$5,000
238-242 Poplar Ave.*	Downtown Core	Development Feasibility	\$5,000
47 S. Main	Downtown Core	Development Feasibility	\$5,000
TOTAL			\$53,200***

*MWBE Developer (7 of 11; 64%)

** MWBE Service Provider (6 of 11; 55%)

*** Total Spend with MWBE Service Providers (\$29,000 of \$53,200; 55%)

Focus on Equity & Inclusion:

Although many property owners could benefit from pre-development assistance, staff has found this program particularly useful to support the growing community of emerging and minority developers in Downtown Memphis who often have fewer resources to draw on during the crucial pre-development phase. Staff administered the program with a special focus on supporting emerging developers, especially women and people of color. 64% of the 11 grant projects approved in year 1 are led by a MWBE developer or owner. Additionally, 55% of the total grant budget was spent with MWBE service providers.

Staff Recommendation:

This grant program, while relatively modest in budget, is having the desired impact. Now more than ever, the DMC must remain proactive in efforts to attract new development and investment in commercial property Downtown. Moreover, an aggressive pre-development program was a key recommendation of the BuildDowntown Master Plan. This grant lowers the barrier to entry and reduces front-end risk, giving property owners and aspiring developers a solid road map toward development. Growing and diversifying the ecosystem of local developers is integral to achieving the DMC's overall goal of building a Downtown for everyone.

Staff requests that the CCDC reauthorize the program with a new budget of \$50,000 for the current fiscal year, ending June 30, 2022. No changes to the key program features are recommended at this time.

The following summary describes the current program details and requirements:

Downtown Pre-Development Assistance Grant:

- A maximum grant of \$5,000 per project.
- A program cap of \$50,000 per fiscal year.
- Examples of eligible pre-development work:
 - Market studies
 - Financial modeling
 - Professional design work
 - Site assessment
- Applications will be administratively approved by DMC staff.
- Priority will be given to historic properties and properties located in priority areas.
- Invoices from consultants hired to perform pre-development work can be submitted directly to the DMC for reimbursement.
- The DMC will retain the rights to any materials created using grant funds.

DOWNTOWN PRE-DEVELOPMENT ASSISTANCE GRANT



A grant for pre-development work, designed to kick-start development projects in Downtown Memphis.



Maximum grant of **\$5,000**.



Eligible work includes **financial modeling, architectural design, market research, and site assessment**.



Higher priority for projects in **target areas**.

Program Administered by the
Center City Development Corporation

114 North Main Street
Memphis, TN 38103

(901) - 575 - 0540
DowntownMemphisCommission.com



DOWNTOWN PRE-DEVELOPMENT ASSISTANCE GRANT

The **Downtown Pre-Development Assistance Grant** is a grant of up to **\$5,000** to cover pre-development costs for properties within the Central Business Improvement District (CBID). The goal of the grant is to accelerate downtown property development by providing financial support during the early stages of project development.

WHO CAN APPLY?

- Property owners, or prospective buyers who have a property under contract.

ELIGIBLE USES

- Examples of eligible pre-development work include
 - Market studies
 - Financial modeling
 - Professional design work, including architecture and engineering
 - Site assessment, including environmental tests and structural assessment

GRANT AMOUNT

- \$5,000 per project
- Program funding limited to \$50,000 annually

FUNDING PRIORITY

- Funding priority will be given to properties within the DMC's identified priority areas:
 - The Downtown Core
 - Targeted Retail Nodes
 - BuildDowntown Signature Streets
- Priority will also be given to historic structures.

EQUAL BUSINESS OPPORTUNITY

- Applicants must make a best-faith effort to reach out to minority and woman-owned businesses (MWBES) for consulting and other contracting opportunities associated with the project. Registered MWBEs can be found online through the Memphis Office of Business Diversity and Compliance: memphis.mwsbe.com

OTHER REQUIREMENTS

- Any materials produced using pre-development assistance funds will be shared with the DMC, and retained in the DMC's files. These materials will be confidential as long as the applicant remains the owner of the building.

APPLICATION STEPS

1. Fill out the application form (attached), and e-mail to roler@downtownmemphis.com.
2. DMC staff will contact the applicant to discuss the proposed pre-development work in more detail, and to confirm the proposal's eligibility.
3. Select any consultants or other contractors necessary for the proposed pre-development work and acquire cost estimates.
4. Submit a final itemized pre-development budget to DMC staff.
5. DMC staff will review the itemized budget, and administratively approve the final grant request if the work is deemed eligible.
6. In most cases, consultants hired to perform pre-development work will send their invoices directly to the DMC for reimbursement.

APPLICATION FORM

Date of Application:	
Building/Property Address:	
Applicant's Name:	
Ownership Status:	<input type="checkbox"/> I own the property <input type="checkbox"/> I am purchasing the property <input type="checkbox"/> Other _____
Primary Project Contact:	Name: _____
	Phone: _____ Email: _____
	Mailing Address: _____
Briefly describe the property, and the potential project being explored.	
What pre-development work are you looking to perform? (Check all that apply)	<input type="checkbox"/> Market Studies / Data <input type="checkbox"/> Financial Modeling <input type="checkbox"/> Design Work <input type="checkbox"/> Structural / Environmental Assessment <input type="checkbox"/> Other _____
Estimated budget (if available)	