



To: Center City Development Corporation (CCDC) Board of Directors  
From: DMC Staff  
Date: September 18, 2024  
RE: Pre-Development Assistance Grant Update & Round IV Funding Request

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**Background:**

The CCDC created the Downtown Pre-Development Assistance Grant in August 2020 with \$50,000 in funding for the first year. A second round of funding (\$50,000) was approved in October 2021 to extend the program into the second fiscal year. A third round of funding (\$50,000) was approved by the CCDC in Q3 2022. To date, a total of 32 pre-development grants have been approved under this innovative program.

The Pre-Development Assistance Grant provides funding for the vital work that needs to happen before a property owner, or prospective developer, can pursue financing for the project. Examples of pre-development work include preliminary architectural designs, financial modeling, and environmental testing. Pre-development work is necessary, but often costly, which can discourage property owners or aspiring developers who are unsure of whether they will see a financial return for this work. This grant reduces that risk and provides answers to questions that must be addressed prior to making the ultimate decision to move forward with a particular project. The Grant program also continues to grow the DMC's overall knowledge base regarding vacant or underutilized properties and structures Downtown.

The following summary describes the basic program details and requirements:

**Downtown Pre-Development Assistance Grant:**

- A maximum grant of \$5,000 per project.
- Typically funded at \$50,000 per tranche.
- Examples of eligible pre-development work:
  - Market studies/financial modeling/feasibility analysis
  - Professional design work (ex. architect and/or engineering)
  - Site assessment (ex. environmental and/or structural assessment)
- Applications are administratively approved by DMC staff.
- Priority is given to historic properties and locations within established retail nodes.
- Invoices from consultants hired to perform pre-development work can be submitted directly to the DMC for reimbursement.
- The DMC retains rights to any materials created using grant funds.

### **Round III Results:**

Although many property owners could benefit from pre-development assistance, staff has found this program particularly useful to support the growing community of emerging developers in Downtown Memphis. DMC Staff administered the program with a special focus on identifying opportunities to support emerging developers, especially women and people of color. Approximately 80% of the total grant budget was spent to support MWBE developers.

Encouraging growth within the urban core is another important goal of the Pre-Development Grant in order to build compact critical mass and increase density. Additionally, a focus of the program is to support new investment in neighborhoods and areas that have historically seen disinvestment, property blight, and high commercial vacancy.

Round III: Approved projects by location:

- 1 Projects in South Main/South End (10%)
- 4 Projects in South City (40%)
- 2 Projects in Uptown/North CBID (20%)
- 3 Projects in Downtown Core (30%)

### **Staff Recommendation:**

This grant program, while relatively modest in budget, is having an impact. The DMC intends to 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 for aspiring developers and reduces front-end risk, giving property owners and emerging 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.**

**Supporting Information:**  
**Approved Pre-Development Grant Project List**  
 Aug. 2020 – Aug 2024

**Round I: August 2020 – June 30, 2021**

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	Medical District	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
<b><i>SUBTOTAL</i></b>			<b><i>\$53,200***</i></b>

**Round II Funding: July 1, 2021 – June 30, 2022**

Project/Address	Location	Scope of Grant	Grant
339 Madison	Edge/Medical	Development Feasibility	\$5,000
Q-Sweets, 97 N. Main*	Downtown Core	Architectural Design**	\$2,500
Spotlight Prod., 649 N. Second*	Uptown	Architectural Design**	\$5,000
78 G.E. Patterson	South Main	Development Feasibility	\$5,000
183 Chelsea	Uptown	Architectural Design**	\$5,000
119 Madison Ave.*	Downtown Core	Development Feasibility	\$5,000
602 Looney*	Uptown	Development Feasibility	\$5,000
0 Madison & 0 Monroe*	Edge/Medical	Architectural Design	\$5,000

Barboro Alley Public Realm*	Downtown Core	Architectural Design**	\$3,500
383 Union Ave.*	Downtown Core	Architectural Design	\$5,000
Picture Perfect, 10 N. Main*	Downtown Core	Architectural Design**	\$5,000
<b><i>SUBTOTAL</i></b>			<b><i>\$51,000***</i></b>

**Round III Funding: June 30, 2022 – August 30, 2024**

<b>Project/Address</b>	<b>Location</b>	<b>Scope of Grant</b>	<b>Grant Amount</b>
660 S. BB King (Part II)*	South City	Development Feasibility	\$5,000
Jehl Cooperage (DMC as applicant)	South Main	Development Feasibility	\$5,000
0 Riverside Drive*	South Main	Development Feasibility	\$5,000
Vance Avenue Rail Spur*	South City	Architecture**	\$5,000
East Georgia Infill Development*	South City	Development Feasibility	\$5,000
300 Court Avenue*	Downtown Core	Architecture	\$5,000
114 Henry*	Uptown/North CBID	Architecture	\$5,000
Uptown Infill Housing	Uptown/North CBID	Environmental Study	\$5,000
BVO Museum at Mud Island*	Downtown Core	Architecture/Design**	\$5,000
128 Adams Avenue*	Downtown Core	Development Feasibility	\$5,000
<b><i>TOTAL</i></b>			<b><i>\$50,000</i></b>

**Summary of Combined Round I – III Results:**

Total Spend with MWBE Developers and/or MWBE Service Providers: 81% of total funding (\$124,200 of \$154,200)

\*MWBE Developer (23 of 32; 72%)

\*\* MWBE Service Provider (12 of 32; 38%)

**Approved Projects by Downtown Location:**

- 5 Projects in South Main (15%)
- 4 Projects in Medical District/Edge (13%)
- 6 Projects in South City (19%)
- 6 Projects in Uptown/North CBID (19%)
- 11 Projects in Downtown Core (34%)