

# DOWNTOWN RETAIL TENANT IMPROVEMENT GRANT



*A grant for interior tenant improvements, designed to foster retail growth in Downtown Memphis.*



Maximum grant of **\$30,000**, depending on the size of the space, and lease length.



Grant is for **permanent improvements**, not temporary furnishings and fixtures.



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](http://DowntownMemphisCommission.com)



**DOWNTOWN  
MEMPHIS  
COMMISSION**

# HOW TO APPLY

*Read Full Packet for More Details*

1



## Submit your initial project idea.

Send DMC staff some basic info about your project -- including where the property is located, what you'd like to change, and current pictures of the existing space.



2



## Prepare a project budget and design plans.

Create an itemized budget for your proposed project, and basic drawings of the space you plan to create.



3



## Follow Equal Business Opportunity (EBO) Guidelines.

Every project that receives a DMC incentive must receive bids through an open and fair process. Before submitting your final application, meet with DMC staff to make sure you have a plan to comply with this requirement.



4



## Submit your final application for CCDC approval.

The CCDC board meets the third Wednesday of every month at 9:00 AM. To have your project considered at a monthly board meeting, submit your final application two weeks before the meeting date.



5



## Begin work!

Once your application is approved by the CCDC board, and you've properly bid out work according to the DMC's EBO guidelines, you can start work. Grant funds will be dispursed after the project's completion.

# DOWNTOWN RETAIL TENANT IMPROVEMENT (TI) GRANT

The **Downtown Retail Tenant Improvement (TI) Grant** is designed to help grow a vibrant and thriving retail climate in Downtown Memphis. This program will support new retail, creative arts & entertainment, and food & beverage based businesses who choose to locate within key corridors and retail nodes.

The Retail TI Grant helps bridge the financial gap between property owner and tenant by providing **financial assistance of up to \$30,000** on qualified permanent improvements to the interior of a tenant's space.

The Retail TI Grant program operates as a reimbursable grant. Following grant approval, the applicant may sign the lease and then begin interior work. After all interior work has been completed and the business is open, the applicant will submit receipts to the CCDC and demonstrate compliance with standard closing conditions. At that point, the grant incentive can be reimbursed.

## WHAT ARE WE TRYING TO ACCOMPLISH?

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- Encourage new businesses to open ground-floor locations along priority corridors and within targeted retail nodes
- Motivate property owners to work with tenants to fill long-vacant spaces.
- Increase the total number of retail businesses Downtown.

## TARGET AREAS

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The Retail TI Grant program will be used strategically in key corridors and retail nodes in Downtown Memphis to implement the recommendations of the DMC's Retail Action Plan. Please note that this grant program is not an entitlement and not every application will be approved. The CCDC is purposefully concentrating the focus of the program in order to increase the impact of its investment. **In most cases, properties need to be located within the Target Areas shown in Appendix II to be eligible.** Exceptions may be considered for high-impact projects and strategic priorities. The Target Areas were determined in the Retail Action Plan based on market data and analysis.

## BUSINESS ELIGIBILITY

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In order to be considered potentially eligible for this Grant, the proposed ground-floor business must be (i) an approved retail, (ii) creative arts & entertainment, or (iii) food & beverage business. Funding decisions will ultimately be based on a variety of factors, including consistency with the DMC's Downtown Master Plan, Retail Strategy, and availability of resources. **Funding priority will be given to proposals that are filling a ground-floor space that has been vacant for 24 or more consecutive months.**

The Retail TI Grant is designed to assist:

- Tenants interested in ground-floor retail bays with prominent street frontage
- A new business locating within the target area
- An existing business relocating from outside the CBID to within the target area
- An existing business opening an additional location within the target area

The Retail TI Grant is not designed to assist:

- Existing businesses within the target area
- Existing businesses within the CBID who simply wish to change locations
- Office tenants and similar non-retail uses
- Tenants not located on the ground-floor with prominent street frontage
- Ineligible business types include, but are not limited to, liquor, Cannabidiol (CBD) and tobacco stores, adult entertainment and product stores, building developers, and short-term loan businesses.

## WHO CAN APPLY?

The Retail TI Grant is available from September 1, 2019 – August 31, 2021. The Grant is designed for tenants who will sign a lease with a minimum term of 12 months to occupy ground-floor space. Longer leases are preferred. Applicants must apply for, and receive approval of, a Retail TI Grant prior to signing their lease. Property owners who will also operate an eligible retail business on the ground-floor may apply for this grant.

## WHAT IMPROVEMENTS CAN THE GRANT HELP PAY FOR?

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Examples of eligible expenses under the Retail TI Grant include:

- Hazardous materials abatement, such as asbestos removal
- Interior demolition and shell reconstruction
- Compliance with the Americans with Disabilities Act (ADA)

- Permanent equipment, plumbing, mechanical, electrical & HVAC
- Permanent lighting
- Flooring
- Windows/doors/commercial storefront
- Historic restoration of interior features
- Permanent interior walls and finishes
- Permanent bar/counter/cash wrap for point of sale
- Architectural/interior design/permitting fees related to the interior improvements

The following expenses are not eligible under the Retail TI Grant:

- Furniture such as tables, chairs, display racks and other similar fixtures
- Temporary or moveable cubicles or partitions to subdivide space
- Moveable equipment, fixtures, or furnishings
- Moving expenses, salaries, working capital, or inventory
- In-kind work performed by the applicant
- Other items deemed by staff as narrowly tailored for a particular use and not potentially beneficial to other future users of the space.

## GRANT AMOUNT

The maximum grant amount is based on the size of the retail space and length of the lease. Larger spaces with longer leases will qualify for larger grants. The Retail TI Grant program is capped at **\$30,000 per project**, regardless of size or length of lease.

The following formula is used to determine the maximum grant amount:

$$\$4.00 \times \text{total sq. ft. of leased space} \times \text{number of lease years} = \text{maximum grant}$$

**Example:**

For a 1,000 sq. ft. space with a 5-year lease, the calculation would be  $\$4 \times 1,000 \times 5 = \$20,000$  total grant.

### Maximum Grant Amount Examples:

	1-Year Lease	2-Year Lease	3-Year Lease	4-Year Lease	5-Year Lease
500 Sq. Ft.	\$2,000	\$4,000	\$6,000	\$8,000	\$10,000
1,000 Sq. Ft.	\$4,000	\$8,000	\$12,000	\$16,000	\$20,000
1,500 Sq. Ft.	\$6,000	\$12,000	\$18,000	\$24,000	\$30,000 (Max)
2,000 Sq. Ft.	\$8,000	\$16,000	\$24,000	\$30,000 (Max)	\$30,000 (Max)

**Please note that the approved amount of a grant may be less than the maximum, depending on CCDC priorities, funding availability, and eligible project expenditures.** DMC staff will work

with each applicant to determine the recommended scope of interior work and confirm the total grant amount.

## EBO PROGRAM

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As a condition of receiving the grant, each applicant must comply with the DMC's Equal Business Opportunity (EBO) program by having a fair and open bidding process for all contracting and sub-contracting opportunities. The DMC's goal is a minimum of 25% participation by minority and women-owned businesses in the total project cost. Please review the attached document titled ***DMC Equal Business Opportunity (EBO) Program Overview*** for more information about this requirement.

## ADDITIONAL INFORMATION

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The CCDC currently offers a Downtown Development Loan program for permanent building improvements and an Exterior Improvement Grant (EIG) program to aid in significant cosmetic improvements needed to the building's exterior. **In many cases, DMC staff will advise each applicant to select only one incentive program for each project.** Our goal is to use CCDC resources efficiently while leveraging private investment to the fullest extent possible. However, DMC staff may choose to recommend approval for more than one incentive program for a high-impact project if doing so closely aligns with the DMC's strategic priorities and Retail Strategy.

## HOW TO APPLY? FIVE STEPS

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### Step 1: Submit Your Project Idea

Submit a letter or email to DMC staff describing your interest in the Retail TI Grant. Please include the following information:

- a. Property address & landlord's contact information
- b. Describe the proposed lease terms, if applicable
- c. Describe your project idea and what kind of improvements you want to make
- d. Let us know if you are already working with an architect or designer
- e. Include recent photograph(s) showing the interior and exterior of the space.
- f. Copy of your business plan

### Step 2: Prepare a Project Budget and Simple Design Plans

If DMC staff determines that your project idea is potentially eligible for the Retail TI Grant, the next step is for you to prepare an itemized budget and basic drawings that show the proposed interior work. Most projects will require the services of an architect or similar design professional.

In most cases, staff will request an opportunity to tour the proposed retail space with the applicant in order to better understand the scope of needed improvements.

### **Step 3: Equal Business Opportunity (EBO) Program**

As a condition of receiving the Retail TI Grant, each applicant must comply with the DMC's Equal Business Opportunity (EBO) program by having a fair and open bidding process for all contracting and sub-contracting opportunities. You will be required to prepare and follow an Outreach & Inclusion Plan to ensure that proactive steps are taken to avail opportunities to minority and/or women-owned businesses. The DMC's goal is a minimum of 25% participation by minority and women-owned businesses (MWBE's) in the total project cost.

You will meet with DMC staff to discuss the EBO program prior to submitting an incentive application. The focus of this meeting will be to review how the EBO Program requirements will apply to your specific scope of work and potential strategies to include in your Outreach & Inclusion Plan.

Please review the document titled **DMC Equal Business Opportunity (EBO) Program Overview** for more information about this requirement.

### **Step 4: Submit Grant Application and Request Approval at Monthly CCDC Meeting**

Once DMC staff reviews and accepts the project scope of work and budget, you can submit a formal grant application (see **Appendix I**). Your final application will become part of the public record and will be placed on the next Center City Development Corporation (CCDC) public meeting agenda. The CCDC meets on the 3<sup>rd</sup> Wednesday of each month at 9:00 AM in the DMC conference room, 114 N. Main Street. Please plan on attending the CCDC meeting when your project is on the agenda.

**The application deadline for each CCDC meeting is by 4:00 PM, two (2) weeks prior to the meeting date.** See Appendix I for the grant application.

Staff will coordinate with the applicant to determine if Design Review Board (DRB) approval will be required for the proposed scope of work. DRB approval is typically only required for exterior improvements.

### **Step 5: Start of Work**

Following CCDC approval the applicant will sign their lease and may begin interior work.

**After the project is finished and you have received a final Use and Occupancy Permit for the space, grant funds will be disbursed from the CCDC to the applicant upon receipt of contractor final release and waiver(s), satisfactory inspection of the completed work by**

**DMC staff, and standard closing conditions.** In-kind work performed by the applicant will not be eligible for reimbursement.

The applicant is responsible for documenting all expenses and submitting receipts to the CCDC after the project is complete. All work must be consistent with the approved grant application and the DMC staff must approve any changes in work scope or materials in advance of that work being performed.

Upon receiving CCDC approval, you have **six months to begin the improvements**. The project **must be completed within one year** of the date approved by the CCDC. Please note that an approved Retail TI Grant may be canceled if your project does not meet these deadlines.

## **READY TO APPLY OR HAVE QUESTIONS? CONTACT:**

**Erik Stevenson**  
Commercial Strategist  
Downtown Memphis Commission  
stevenson@downtownmemphis.com  
(901) 575-0580



# APPENDIX I: GRANT APPLICATION

<b>Date of Application:</b>		
<b>Building/Property Address:</b>		
<b>Applicant's Name:</b>		
<b>Name of the Business:</b>		
<b>Ownership Status:</b>	<input type="checkbox"/> I own the property <input type="checkbox"/> I am purchasing the property <input type="checkbox"/> I will lease the property <input type="checkbox"/> Other _____	
<b>Exact size of the space to be leased (sq. ft.)</b>		
<b>Describe the length and monthly rent of your proposed lease:</b>		
<b>Primary Project Contact:</b>	Name:	
	Phone:	Email:
	Mailing Address:	
<b>Proposed Improvements: (check all that apply)</b>	<input type="checkbox"/> Hazardous material abatement <input type="checkbox"/> Interior demolition <input type="checkbox"/> ADA Compliance <input type="checkbox"/> Plumbing <input type="checkbox"/> Electrical <input type="checkbox"/> Mechanical/HVAC <input type="checkbox"/> Permanent Lighting	<input type="checkbox"/> Flooring <input type="checkbox"/> Windows/Doors <input type="checkbox"/> Permanent interior walls <input type="checkbox"/> Historic restoration <input type="checkbox"/> Cash wrap/bar/counter <input type="checkbox"/> Other (describe below)
<b>If you listed <i>Other</i> above, Please briefly describe</b>		
<b>Architect (if applicable)</b>	Name: _____ Phone: _____	
	Company: _____	
<b>Total Project Budget:</b>		
<b>Total Grant Requested:</b>		
<b>Property Owner: (If not the applicant)</b>	Name: _____	
	Phone: _____	Email: _____
	Mailing Address: _____	

<p><b>Legal Disclosure:</b></p>	<p><i>Disclose in writing whether any applicant, guarantor, or any other person involved with the project is currently engaged in any civil or criminal proceeding or ever filed for bankruptcy. Also, disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment.</i></p>
<p><b>Board Relationship Disclosure:</b></p>	<p><i>Disclose in writing whether the applicant or any guarantor has any previous or ongoing relationship with any Board member or legal counsel of the Board.</i></p>
<p><b>Applicant's Certification:</b></p>	<p>This application is made in order to induce the CCDC to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to the CCDC in its consideration of the application is included. The applicant acknowledges that it has reviewed the descriptions of the CCDC financial program for which it is applying and agrees to comply with those policies. The applicant shall also be required to show best faith efforts with regard to the employment of minority and/or women contractors and subcontractors in the project development. The applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the CCDC whether or not the incentive is granted or project completed.</p> <p>_____</p> <p>Signature: _____ Date: _____</p>

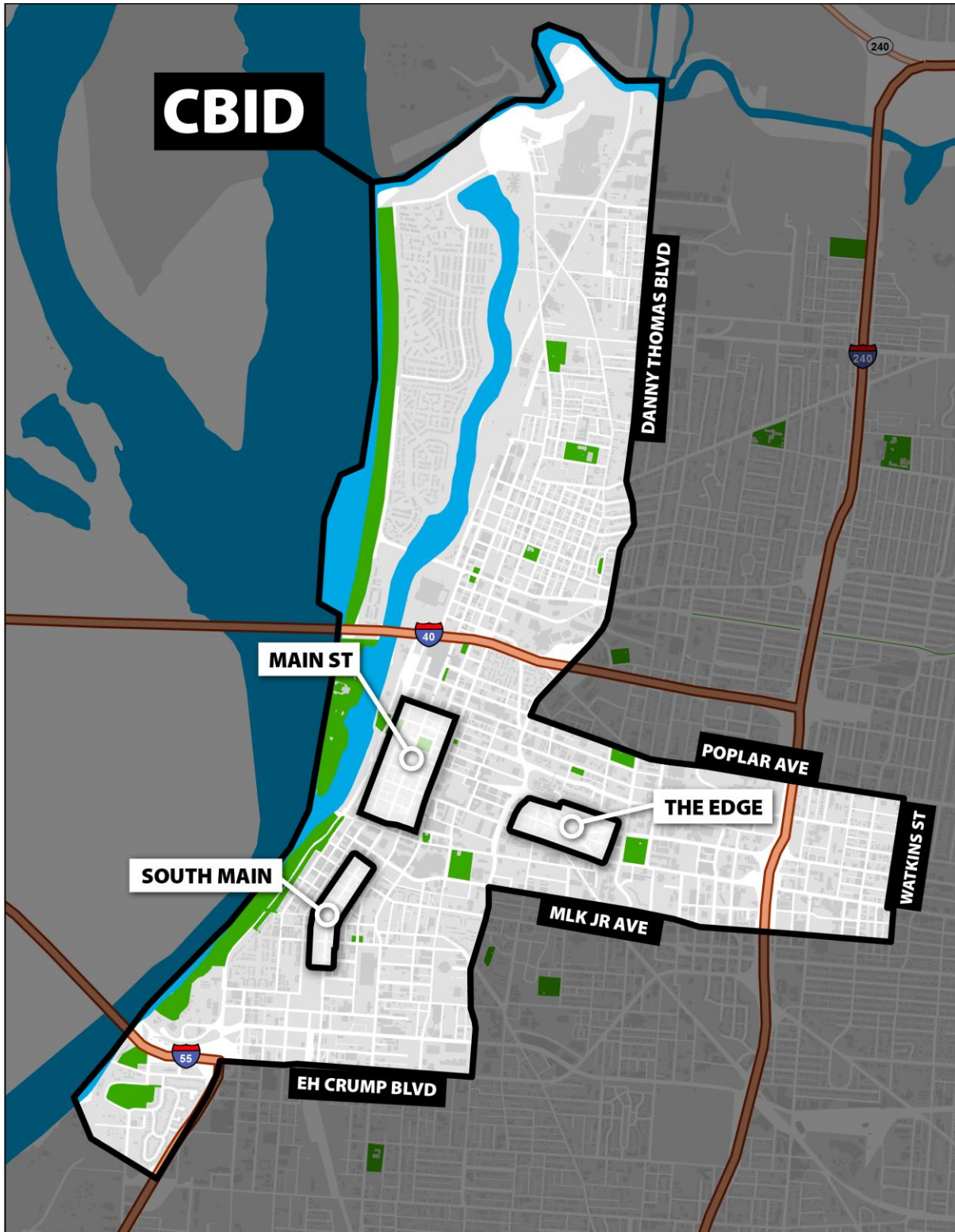
## **Application Attachments**

In addition to this completed and signed application, include the following attachments when you submit your grant request:

- **Photograph(s) showing the interior and exterior of the space.**
- **Floor plan and architectural drawing(s) showing proposed improvements**
- **Itemized budget for proposed improvements**
- **Proposed lease agreement**
- **Copy of your business plan**
- **Letter from the property owner providing approval for the proposed improvements**
- **Any other information deemed necessary by DMC staff in order to fully understand the project**

# APPENDIX II: TARGET AREA MAPS

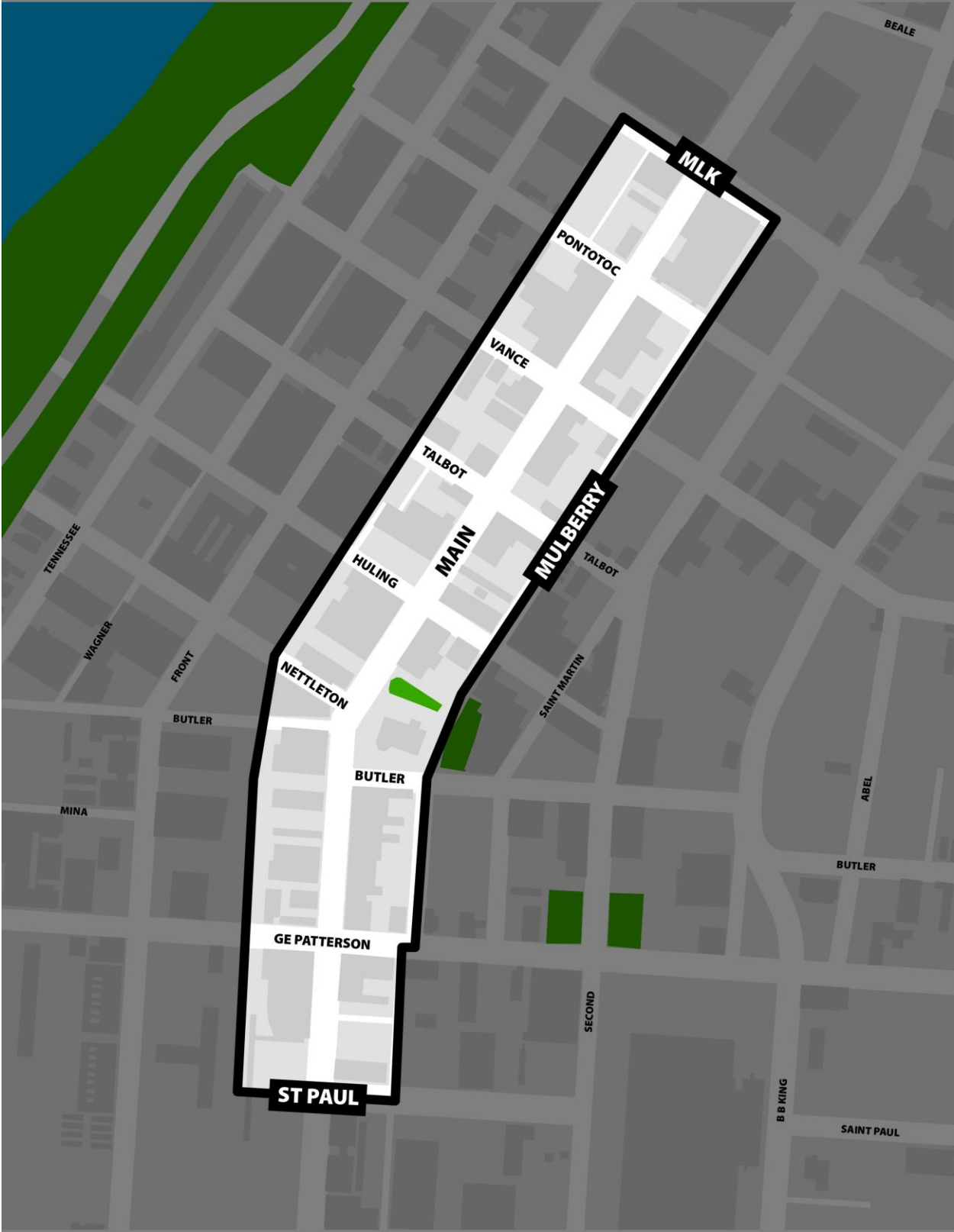
Map 1. Central Business Improvement Business with Target Areas



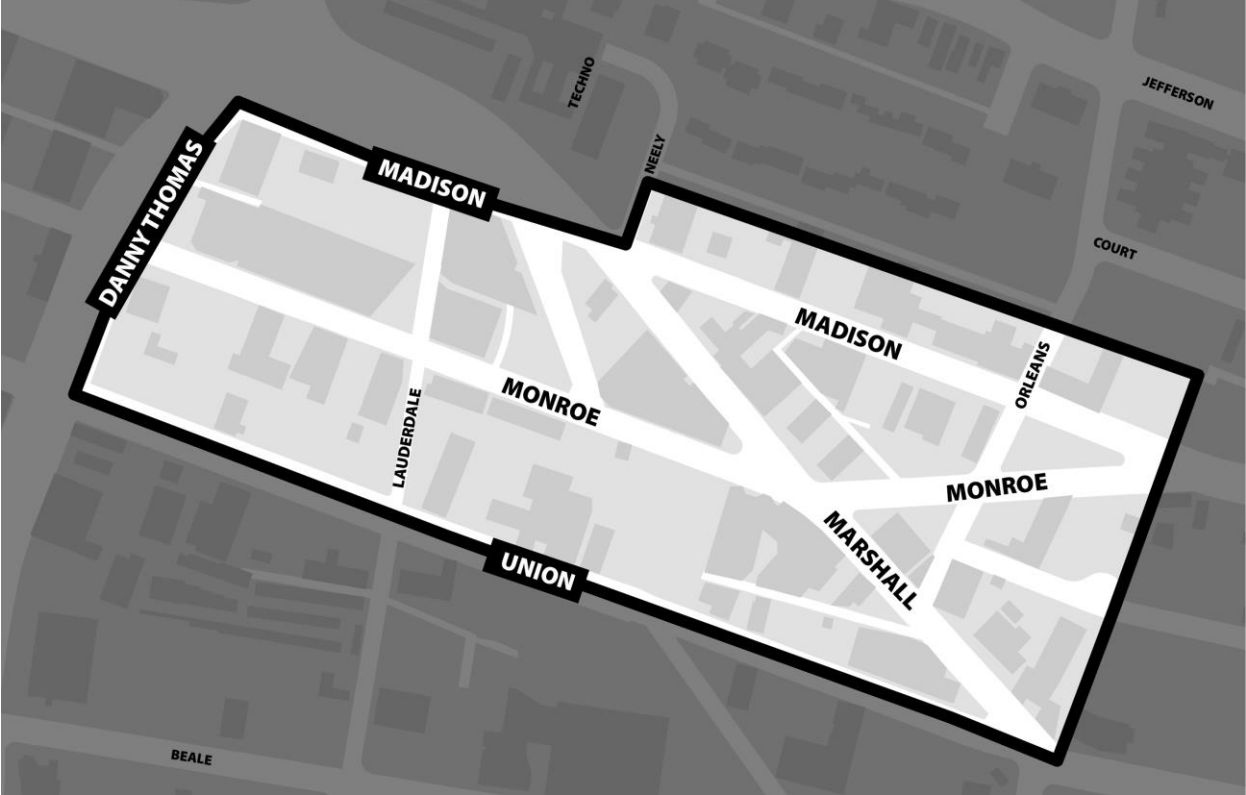
**Map 2. Main Street Target Area**



Map 3. South Main Target Area



**Map 4. Edge Target Area**



# EQUAL BUSINESS OPPORTUNITY (EBO) PROGRAM OVERVIEW

Increasing contracting opportunities for minority and women-owned businesses is a high priority for the Downtown Memphis Commission (DMC). **All projects that request support from the DMC must meet the requirements of our Equal Business Opportunity (EBO) Program.**

Our goal is to provide an equal opportunity for minority and women-owned business enterprises (MWBEs) to bid on all eligible aspects of a project, including contracting and sub-contracting opportunities. The EBO program requires that you reach out proactively to MWBE's and hold a fair and open bidding process.

## HOW TO MEET THE EBO PROGRAM REQUIREMENTS

If your project requests an incentive or financial support from the DMC, meeting the requirements of the EBO program will involve two main components:

1. You must demonstrate a **best-faith effort** to be inclusive when selecting companies to hire in executing the project and performing the necessary work. This process will usually start by meeting with DMC staff in a pre-application conference to discuss the project and identify opportunities for proactive outreach to MWBE companies.
2. You should strive to exceed the DMC's **minimum goal of 25% MWBE participation** in the total hard and soft costs associated with the project. Hard costs include things like new construction, renovation, or demolition. Soft costs cover professional services including design and architecture, engineering, and similar work. DMC will periodically reevaluate our minimum goal and work continuously to increase that average every year to the point where it reflects the makeup of our community.

## THINGS TO KEEP IN MIND

- Please note that the DMC's EBO program does not require that an applicant select an unqualified firm or pay more in order to receive the same services. The EBO program simply requires that a fair and open process is used so that MWBE firms have an equal chance of being selected.
- The size, scope, and complexity of each project must be taken into consideration when developing the specific outreach and inclusion plan for a project. Each applicant will work with the DMC staff to craft a specific Outreach and Inclusion Plan based on their project scope.
- Failure to follow the EBO program will result in the incentive being canceled.
- Compliance with the Equal Business Opportunity (EBO) program is the responsibility of the incentive applicant. You must ensure that the general contractor adheres to the steps outlined in your Outreach & Inclusion Plan.

Please see the back page of this handout for examples of action steps that may be included in your Outreach & Inclusion Plan.



# THE EBO PROCESS: STEP BY STEP GUIDE

Although every project is unique and will follow its own Outreach & Inclusion Plan, the following chart identifies steps typically involved in meeting the DMC's EBO requirements. The specific steps required for each applicant will be heavily influenced by the size, scope of work, and development costs associated with the project.

## DEVELOPMENT COSTS:



STEP 1	<p><b>Meet with DMC staff</b> to discuss your project and requirements of the Equal Business Opportunity (EBO) Program.</p> <p>Submit an <b>Outreach and Inclusion Plan</b> to DMC staff describing the steps you will take to meet the EBO requirements. This plan is typically submitted prior to requesting incentive approval at the Board meeting. DMC's goal is a minimum of 25% MWBE participation in the project development costs.</p>		
	<p>Use the <b>City of Memphis Business Diversity &amp; Compliance Registry</b> and the resources at the <b>Shelby County Office of Equal Opportunity Compliance</b> to identify qualified general contractors and tradespeople to perform your proposed scope of work.</p>		
STEP 2	<p>Meet and coordinate with <b>minority-owned business assistance organizations</b> such as the Memphis Area Minority Contractors Association (MAMCA) and the Mid-South Minority Business Council Continuum (MMBC) to make their members aware of your project and any contracting and sub-contracting opportunities.</p>		<p>Discuss with DMC staff the potential for MWBE firms to competitively bid on the general contracting work. If the project scope &amp; need does not match the current capabilities of MWBE general contractors, look for opportunities to connect smaller MWBE firms with larger firms in <b>joint ventures or collaborative partnerships</b> for general contracting work on larger projects.</p> <p>After a general contractor is selected, advertise and host a pre-bid conference to allow subcontractors an opportunity to ask questions and learn more about the job opportunity. Coordinate the pre-bid conference with <b>minority-owned business assistance organizations</b>.</p> <p>Contact a minimum of <b>3 certified MWBE businesses for each trade</b> or type of work involved in the project. Provide a fair opportunity for each firm to submit a bid.</p>
STEP 3	<p>Contact a minimum of <b>3 certified MWBE businesses for each trade</b> or type of work involved in the project using the firms identified in steps 2 and 3 above. Provide a fair opportunity for each business to submit a bid.</p> <p>Document your outreach efforts and the submitted bids. <b>Use Form titled "Proposed Utilization Plan" to submit your proposed service providers to DMC staff for review and approval.</b></p>	<p>Contact a <b>minimum of 3 certified MWBE general contractors</b> using the firms identified in steps 2 &amp; 3 above. Provide a fair opportunity for each business to submit a bid.</p> <p>Depending upon the size and scope of your project, staff may require that you advertise and host a <b>pre-bid conference</b> to allow general contractors and subcontractors an opportunity to ask questions and learn more about the job opportunity.</p>	
STEP 4	<p>After work has started, submit monthly updates to DMC staff detailing the project status and MWBE involvement at each major phase of the project.</p>	<p>Contact a minimum of <b>3 certified MWBE businesses for each trade</b> or type of subcontractor needed. Provide a fair opportunity for each firm to submit a bid.</p> <p>Document your outreach efforts and the submitted bids. <b>Use Form titled "Proposed Utilization Plan" to submit your proposed service providers to DMC staff for review and approval.</b></p> <p>After work has started, submit <b>monthly updates</b> to DMC staff detailing the project status and MWBE involvement at each major phase of the project.</p>	<p>Document your outreach efforts and the submitted bids. <b>Use Form titled "Proposed Utilization Plan" to submit your proposed service providers to DMC staff for review and approval.</b></p> <p>After work has started, submit <b>monthly updates</b> to DMC staff detailing the project status and MWBE involvement at each major phase of the project.</p>
STEP 5	<p>After work has started, submit <b>monthly updates</b> to DMC staff detailing the project status and MWBE involvement at each major phase of the project.</p>		